

County of Loudoun, Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Year Ended
June 30, 2001**

**Prepared by
Division of Finance and Accounting
Department of Financial Services**

COUNTY OF LOUDOUN, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2001

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(1) THIS INFORMATION IS NOT COVERED BY THE REPORT
OF THE INDEPENDENT PUBLIC ACCOUNTANTS.



Loudoun County, Virginia

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County Administration

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October 19, 2001

The Honorable Members of the Board of Supervisors
County of Loudoun, Virginia
1 Harrison Street, S.E., P.O.Box 7000
Leesburg, Virginia 20177-7000

Dear Mr. Chairman and Members of the Board:

I am pleased to present the County's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2001.

This report, prepared by the Department of Financial Services, identifies the County's financial position and marks the County's financial activities over the past fiscal year. We believe the data contained in the report are accurate in all material aspects. The required disclosure statements are also set forth.

The Comprehensive Annual Financial Report marks the County's continued adherence to and refinement of the guidelines and goals set forth in the Board of Supervisors' Fiscal Policy. The purpose of the Fiscal Policy is to set forth those policies of the Board that establish guidelines for the fiscal stability of the County and establish guidelines for the County Administrator in insuring that fiscal stability. An effective Fiscal Policy (1) contributes significantly to the County's ability to insulate itself from fiscal crisis, (2) enhances short-term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible, (3) promotes long-term financial stability by establishing clear and consistent guidelines, (4) directs attention to the total financial picture of the County rather than single issue areas, (5) promotes the view of linking long term financial planning with day-to-day operations, and (6) provides a framework for measuring the impact of government services against established fiscal parameters and guidelines. The summarized progress as reported in the Comprehensive Annual Financial Report has become an indicator of the relative success of these policies. During fiscal year 2001, all three major credit rating agencies affirmed Loudoun's high investment grade rating.

The County concluded fiscal year 2001 in sound financial condition. In addition, the County initiated or continued a number of management initiatives designed to effectively manage the changes that continued growth has brought to Loudoun.

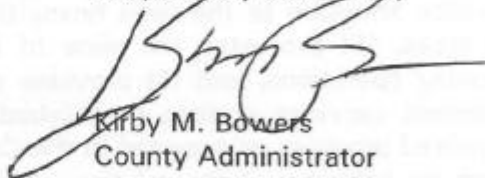
The County, through the budgeting process, funded a series of long-range strategic objectives that establishes a base for providing services for our anticipated population. These objectives significantly impacted service planning, land use planning and general management.

It will take planning and commitment to meet the challenge of efficiently providing needed services for the current population while developing the necessary infrastructure for the future and the tax base and resources to pay for that infrastructure. The County population is estimated to be 189,400 in 2001. According to a recent report issued by the County's Fiscal Impact Technical Review Committee, between now and 2010 Loudoun will experience the highest percentage growth in population and jobs for the entire Washington Metropolitan Area. By 2010, Loudoun's population is expected to be approximately 304,200.

In managing our available resources, we must strike a balance between the demands for additional services and the ability to pay for those services. The increasing rate of growth has increased the need for growth management and has, concurrently, modestly increased the resources available for program allocation. Financial management continues to be of paramount importance in this and future fiscal years.

The County's financial health is reflected in the soundness of its current financial condition, and it is anticipated that current financial management practices will continue Loudoun's tradition of fiscal stability. The Board's emphasis on fiscal planning, budget development, and sound financial management contributes to the present sound financial condition of the County and sets the parameters and tasks for next year.

Respectfully submitted,



Kirby M. Bowers
County Administrator



Loudoun County, Virginia

Department of Financial Services

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County Administrator and Honorable
Members of the Board of Supervisors
County of Loudoun, Virginia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the County of Loudoun, Virginia, for the fiscal year ended June 30, 2001, was prepared by the County's Department of Financial Services, Comptroller's Office in accordance with Sections 15.2-2510 and 15.2-2511 of the Code of Virginia. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. We believe that the data as presented are accurate in all material respects, that they are presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of our various funds, and that all disclosures necessary to enable the reader to understand the County's financial activity have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Compliance. The Introductory Section is intended to acquaint the reader with the organizational structure of the County, the nature and scope of the services provided and includes this transmittal letter, the County's organizational chart and a list of principal officials. The Financial Section provides an overview of the financial position and results of operations of the County as a whole, and includes the general purpose financial statements, and the combining and individual fund and account group financial statements and schedules, as well as the report of independent public accountants on the financial statements and schedules. The Statistical Section is designed to reflect social and economic data, financial trends and the fiscal capacity of the County and includes selected financial and demographic information, generally presented on a multi-year basis. Finally, the Compliance Section presents the auditors' supplementary single audit reports on Federal grant programs.

The County is required to undergo an annual compliance or "single" audit in conformity with the provisions of the revised Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, is included in the Compliance Section of this report.

The County provides a full range of municipal services authorized by the Code of Virginia and by the Board of Supervisors. These services include public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health and mental retardation, and social services); education (elementary, and secondary, and community college support); parks, recreation and cultural (including libraries and museums); community development (planning, zoning, housing, environmental management, and cooperative extension); limited public works (sanitation and waste removal, water and sewer, and maintenance); and general government administration (legislative, general and financial, elections, and judicial). A summary of the financial highlights of these operations for the fiscal year ended June 30, 2001 in County Administration and

the County's various funds and account groups, is presented in the following sections of this letter. In addition to General Government activities, the Board of Supervisors exercises, or has the ability to exercise, budgetary control over the County's School System; therefore, elementary and secondary education activities are included within the reporting entity as a discretely presented component unit. In addition, since certain cooperative financial relationships exist between the County and the Loudoun County Sanitation Authority (the "Authority"), the Authority, which oversees water and sewer activities, is also included as a discretely presented component unit. The Loudoun County Industrial Development Authority does not meet the established criteria for inclusion in the reporting entity and, accordingly, is excluded from this report.

Local Economic Condition and Outlook

The citizens of Loudoun are proud of their County, one that combines financial strength and stability with planned progress and a high standard of living or "quality of life." The County, even though it is the third fastest growing County in the nation, continues to provide quality service to its residents as well as continues to plan for Loudoun's future livability, while minimizing budgetary increases and tax burdens.

The County concluded Fiscal Year 2000-2001 in sound financial condition with minimal fiscal stress. The region's favorable economic conditions and the prospect of these conditions continuing has produced a rate of growth for the County greater than has been experienced over recent years. Our planned growth will, in the short term, impact the amount of resources available for allocation to the many programs required by an urbanizing community. The potential for continued long-term growth is excellent.

Fiscal Year 2000-2001 saw the continued growth of both the residential and commercial/industrial real estate markets. Among the goals and strategies of the Loudoun County Economic Development Plan and Growth Strategy, adopted by the Board of Supervisors in January 1994, is the attraction of new businesses and the enhancement of the business environment to encourage the expansion of existing businesses. Meeting this goal is evidenced by the continuing increase in commercial property values. Many businesses continue to expand existing operations and new businesses are constantly attracted to the County. To ensure that each class of property is paying only its fair and equitable share of the tax burden, the County continues to reappraise its real property tax base annually.

Education continues to be a priority program within the County's operation, and the benefits are demonstrated in testing results by County students. The County School System has a very favorable teacher/pupil ratio and has obtained recognition for excellence in education.

The County faces the challenges of growth and development with confidence, based on a proven financial track record. The County's successes are shared accomplishments combining skill, experience and dedication of elected officials, appointed officials, County employees, and citizens. Faced with changing resources, especially in Federal spending, taxation, and State assistance, the County must continue to plan and manage these resources carefully. The County must continuously define its role in the community to respond to changing times. We will continually fine tune our process to deliver services to ensure our citizens that we take every possible step to provide the services they want at the least possible cost. Always working with integrity, we seek to lead in the innovative expansion of the professional disciplines in which we each serve.

Financial Information

Internal Control - Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control - In addition to internal controls, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Fiscal Plan and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. Activities of the General Fund, Special Revenue Funds, and Debt Service Fund are included in the annual Appropriations Resolution and adopted Fiscal Plan. Project-length budgets are adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. However, management control is maintained at the character level within each organizational unit. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end; however, they generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the Financial Section of this Report, the County continues to meet its responsibility for sound financial management practices.

General Governmental Functions - The County implemented the Government Accounting Standards Board Statement No. 14, The Financial Reporting Entity, in FY 1993-1994. The following balances represent revenues of the primary governmental functions, which include operations of the General Fund, Special Revenue Funds, Capital Funds and Debt Service Fund, totaling \$430,517,579 in Fiscal Year 2000-2001, an increase of \$76,958,200 or 21.76%, over Fiscal Year 1999-2000. Property tax revenue provided 60.63% of general revenues in Fiscal Year 2000-2001 compared to 62.03% in Fiscal Year 1999-2000. All other local sources provided 24.86% of total general revenues in Fiscal Year 2000-2001 compared to 24.69% in Fiscal Year 1999-2000. Intergovernmental revenues, which include revenues from the state and federal governments, provided 14.51% of combined general revenues from various sources in Fiscal Year 2000-2001 compared with 13.28% in Fiscal Year 1999-2000. The net change in general property taxes was the result of real property taxes increasing approximately \$34.5 million combined with an increase of approximately \$6.2 million in personal property taxes collected at the local level. The increase in personal property tax revenue at the local level was limited by the increasing amount of personal property tax revenue being reimbursed from the Commonwealth as part of the Governor's car tax elimination program. The amount reimbursed from the Commonwealth totaled approximately \$27.0 million in Fiscal Year 2000-2001, an increase of approximately \$12.7 million over Fiscal Year 1999-2000. This increase of approximately \$12.7 million is the primary reason for the change in intergovernmental revenues. There was also an increase in other local taxes of approximately \$12.7 million, an increase in permits and licenses of approximately \$1.1 million and an increase in use of money and property of approximately \$3.5 million. The Fiscal Year 2000-2001 increase in other local taxes includes local sales and use taxes of approximately \$7.6 million, business license taxes of approximately \$2.1 million.

The combined total amount of revenues in the General Fund, Special Revenue Funds, Capital Funds, and Debt Service Fund and the changes from Fiscal Year 1999-2000 are shown below:

FISCAL YEAR 2000-2001

Revenue Source	Amount	Percent of Total	Increase from Fiscal Year 1999-2000
General Property Taxes – Current	\$261,016,542	60.63%	\$41,713,568
Other Local Taxes	64,359,557	14.95%	12,726,598
Permits and Licenses	14,519,685	3.37%	1,111,467
Fines and Forfeitures	1,546,259	.36%	71,854
Use of Money and Property	12,007,065	2.79%	3,468,010
Charges for Services	8,452,654	1.96%	1,496,639
Miscellaneous	745,156	.17%	463,044
Recovered Costs	5,421,581	1.26%	415,753
Intergovernmental	62,449,080	14.51%	15,491,267
Total	\$430,517,579	100.00%	\$76,958,200

The total assessed valuation of the County, which includes real, personal and public service corporation property, totaled \$23,509,744,070 for Fiscal Year 2000-2001 representing an increase of \$5,427,432,033 or 30.02% from Fiscal Year 1999-2000. The ratio of total assessed value to total estimated actual value decreased from 95.6% to 93.6%. Fiscal Year 2000-2001 collections were 96.32% of the tax levy, a decrease from the 97.93% collected for Fiscal Year 1999-2000. Total collections for Fiscal Year 2000-2001 (current and delinquent) were 99.51% of the current tax levy, down from 100.05% for Fiscal Year 1999-2000. Additional information concerning assessments and property taxes is presented in Tables C, D, F and G in the unaudited Statistical Section of this Report.

The following balances represent expenditures of the primary governmental operations, which include the General Fund, Special Revenue Funds, Capital Funds and Debt Service Fund, totaling \$241,197,093, an increase of \$62,807,533 or 35.21%, from Fiscal Year 1999-2000. General government expenditures were 11.46% of total governmental expenditures in Fiscal Year 2000-2001 compared to 13.59% in Fiscal Year 1999-2000. The major increases in expenditures occurred in Public Safety, \$9.1 million; Debt Service, \$7.1 million; Capital Projects, \$23.2 million; and Health and Welfare, \$7.0 million.

The following is a summary of these expenditures by function and the increase over the preceding fiscal year:
FISCAL YEAR 2000-2001

Function	Amount	Percent of Total	Increase from Fiscal Year 1999-2000
General Government	\$27,648,372	11.46%	\$ 3,407,124
Judicial Administration	5,288,117	2.19%	849,332
Public Safety	45,425,236	18.83%	9,145,546
Public Works	12,221,838	5.07%	2,843,401
Health and Welfare	38,831,054	16.10%	6,983,619
Education	127,649	.05%	25,863
Recreation and Culture	21,126,419	8.76%	4,786,415
Community Development	15,405,328	6.39%	4,491,778
Capital Projects	37,107,687	15.38%	23,212,083
Debt Service	38,015,393	15.77%	7,062,372
Total	\$241,197,093	100.00%	\$62,807,533

A positive undesignated fund balance was maintained in all the total primary government funds. The undesignated balances in all the primary government funds take into consideration the designation of \$48,029,699 for fiscal cash liquidity.

Proprietary Funds - The County operates two Internal Service Funds: the Central Services Fund and the Self Insurance Fund. The Central Services Fund is made up of six sub-funds. These sub-funds are used to account for the financing of services provided by one department to other departments of the County on a cost reimbursement basis. A summary of Fiscal Year 2000-2001 operations for the sub-funds is as follows:

	Central Telephone	Central Support	Central Mail	Central Duplicating	Central Vehicle Maint.	Central Vehicle
Total Revenues and Transfers	\$1,138,276	\$503,095	\$392,896	\$440,609	\$4,157,803	\$3,973,769
Total Expenses and Transfers Before Depreciation	550,189	494,019	397,645	434,505	4,261,132	144,305
Income (loss)Before Depreciation	588,087	9,076	(4,749)	6,104	(103,329)	3,829,464
Depreciation	423,801	-0-	-0-	-0-	18,834	2,021,818
Net Income (Loss)	\$164,286	\$9,076	(\$4,749)	\$6,104	(\$122,163)	\$1,807,646

The Self Insurance Fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk rather than transferring that risk to a third-party through the purchase of insurance. This includes such retentions as health insurance, workers' compensation insurance and automobile physical damage insurance.

Current year activity, as indicated below, reflects annual expenditures and management's estimated accrual of workers' compensation reserves.

Total Revenues and Transfers	\$29,278,158
Total Expenses and Transfers	<u>30,984,273</u>
Net Loss	<u>(\$ 1,706,115)</u>

Trust and Agency Funds - These funds are used to account for assets held by the County in a trustee capacity or as an agent. These include Expendable Trust, Pension Trust, Nonexpendable Trust and Agency Funds. Total assets and the related liabilities and fund equity in these funds as of June 30, 2001, were \$66,320,188.

Debt Management - The following balances represent the total debt of the primary government. The County's outstanding debt as of June 30, 2001, included \$372,740,000 in general obligation bonds, \$29,384,549 in capital leases, \$821,205 in loans payable and \$6,661,469 in judgments, claims and compensated absences payable (represents accrued vacation and sick leave benefits payable). The County implemented the Governmental Accounting Standards Board Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, in FY 1993-1994. At June 30, 2001 this liability was \$14,840,940. In FY 2001-2002, in accordance with the approved Capital Improvements Program, the County plans to issue \$149,615,000 in general obligation bonds. The proceeds of these sales are to be used to finance certain school and general government construction projects.

Debt service payments in Fiscal Years 1999-2000 and 2000-2001 are shown below:

	<u>Primary Government</u>	
	<u>Fiscal Year</u> <u>2000-2001</u>	<u>Fiscal Year</u> <u>1999-2000</u>
Principal Retirement	\$ 21,207,453	\$ 16,107,683
Interest and Charges	<u>16,807,940</u>	<u>14,845,338</u>
	<u>\$ 38,015,393</u>	<u>\$ 30,953,021</u>

The general obligation debt position of the County as of June 30, 2001 follows:

Net bonded	\$373,561,205
Debt per capita	1,968
Debt as a Percentage of assessed value	1.59%

Although the issuance of bonds by Virginia counties is not subject to any limitation on amount, counties are prohibited from issuing general obligation bonds unless the issuance of such bonds has been approved by public referendum or such bonds have been issued to a permissible State agency or authority or the debt service payments are subject to annual appropriation.

Component Units - As explained above, the County implemented the Government Accounting Standards Board Statement No. 14, The Financial Reporting Entity, in FY 1993-1994. The financial statements reflect the separation of all component unit activities (specifically, the Loudoun County School System and the Loudoun County Sanitation Authority). The Sanitation Authority's financial statements undergo a separate audit, and their most recent auditors report expressed an unqualified opinion on the December 31, 2000 financial statements.

Cash Management - Under the pooled cash concept, the County has greater investment flexibility and normally recognizes a higher rate of return. The County's operating and payroll accounts are maintained as true zero balance accounts so that all excess idle funds are invested overnight in repurchase agreements. The overnight repurchase agreements are collateralized by U.S. Government and U.S. Agency securities. Idle funds available for longer periods of time are invested in Certificates of Deposit (CDs), the State-maintained Local Government Investment Pool, the State-maintained State Non-Arbitrage Pool, and Money Market accounts.

CDs are awarded via competitive bid among Virginia banks. All Virginia banks are required to collateralize deposits of public funds, and report monthly, both deposits and collateral held, to the Commonwealth's Department of Treasury.

The average yield on County investments during Fiscal Year 2000-2001 was 6.04%. The total amount of interest earned on County investments was \$14,553,654. This compares to 5.70% and \$11,081,973 for FY 1999-2000.

Risk Management - The County's automobile and general liability protection are administered within the VACO Insurance Programs. Both agreements have a \$2 million per occurrence limit. The General Liability protection has a \$2 million aggregate limit. Both policies have a \$100,000 per occurrence retention. Member jurisdictions contribute to the pool based on their size and past claims experience. Likewise, the County is pool insured for law-enforcement liability and public officials liability risks. These programs are administered within the State Law Enforcement Liability Self-Insurance Plan and the State Public Officials Self-Insurance Plan, respectively. These programs have a \$2 million per occurrence limit, and protect the County Sheriff's Department and other County enforcement agencies, and all elected and appointed public officials and employees. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs. The County was able to secure and has maintained excess "umbrella" liability coverage in the amount of \$12 million per occurrence through the VACO Insurance Program. This excess coverage, in combination with the County's \$2 million primary coverages, brings all liability programs up to a limit of \$14 million per occurrence. The County received and has maintained a Certificate as a Qualified Self-Insurer from the Virginia State Industrial Commission. The County self-insures general government and schools workers' compensation and employers' liability, the specified benefits of which are statutory. The County maintains excess insurance from the Employers Reinsurance Corporation limiting individual claims against the self-insurance program to \$400,000.

The Primary Government and the Component Unit-Schools retain Landin, Inc., third-party administrator, to adjust workers' compensation claims, provide underwriting services, recommend reserve levels, and to provide safety and loss control services.

All other lines of property and casualty insurance either have been or are expected to be renewed as they become due.

The County self-insures health insurance for all eligible employees and all retirees with 20 years of service or who qualify for disability. The County purchases specific and aggregate stop loss insurance from MAMSI Life and Health Insurance Company limiting claims against the self-insurance program to \$80,000 per occurrence for individual claims and 125% of aggregate stop loss for aggregate claims. A reserve for pending claims and insured but not reported claims of \$6,744,208 has been accrued as a liability within the self-insurance fund based upon estimates from the County's health insurance claims administrator and workers' compensation claims administrator.

The County Primary Government and Component Unit-Schools retains Mid Atlantic Medical Services, Inc. (MAMSI), a third party administrator, to adjust health insurance claims, provide underwriting services, recommend reserve levels, including claims reported but not settled. Claims not closed out at September 30, 1994, remain with the Trigon Blue Cross-Blue Shield of Virginia.

OTHER INFORMATION

Independent Audit - Virginia statutes require an annual audit by independent certified public accountants. The accounting firm of Arthur Andersen LLP was selected by the County's Board of Supervisors to perform the annual audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the revised Federal Single Audit Act of 1996 and related OMB Circular A-133. The auditors' report on the general purpose financial statements, and combining and individual fund statements and schedules is included in the Financial Section of this Report. The auditors' reports related specifically to the single audit are included in the Compliance Section of this report.

Certificate of Achievement for Excellence - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Loudoun, Virginia, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and the applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Report continues to conform to the Certificate of Achievement Program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgments - The County continues to maintain a strong financial position through responsible and progressive management of financial operations and through sound accounting and financial reporting practices. The current accounting and financial reporting standards represent significant enhancements and enable increased efficiency in governmental accounting, auditing and financial reporting. We

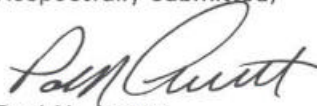
County Administrator and Honorable
Members of the Board of Supervisors
Page Nine

continue to support the achievements in these areas by the Governmental Accounting Standards Board and Government Finance Officers Association. These practices provide, in our opinion, a sound framework for a truly "comprehensive" annual financial report.

The timely preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort of the entire staff of this Department's Comptroller's Office. Special recognition goes to Ronald C. Pennington, our Assistant Comptroller, Mark A. Withrow, our Financial Analyst, and Eileen Nguyen, our Financial Analyst for their technical expertise, review and dedicated services in the preparation of this Comprehensive Annual Financial Report. Their continued and diligent efforts towards upgrading the County's Financial Accounting and Management Information System, Fixed Asset Accounting and Control System, and many other ancillary financial systems, have lead substantially to the improved quality of financial information being reported to management, the County Administrator, the Board of Supervisors and the citizens of the County.

We would also like to express our appreciation to all other members of the Department of Financial Services, to our independent auditors, Arthur Andersen LLP, and to all County agencies who assisted and contributed to the preparation of this Report. We would also like to thank the members of the Board of Supervisors and the County Administrator for their interest and continued support in planning and implementing efficient yet effective financial operations of the County. This support and cooperation represents responsible and progressive financial management for the County. We will strive to maintain the direction the Board requires to maintain an equitable balance between available resources and the demand for high quality services.

Respectfully submitted,



Paul N. Arnett

Deputy Director of Financial Services/Comptroller



M.E. (Mickey) Poole

Director of Financial Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Loudoun,
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

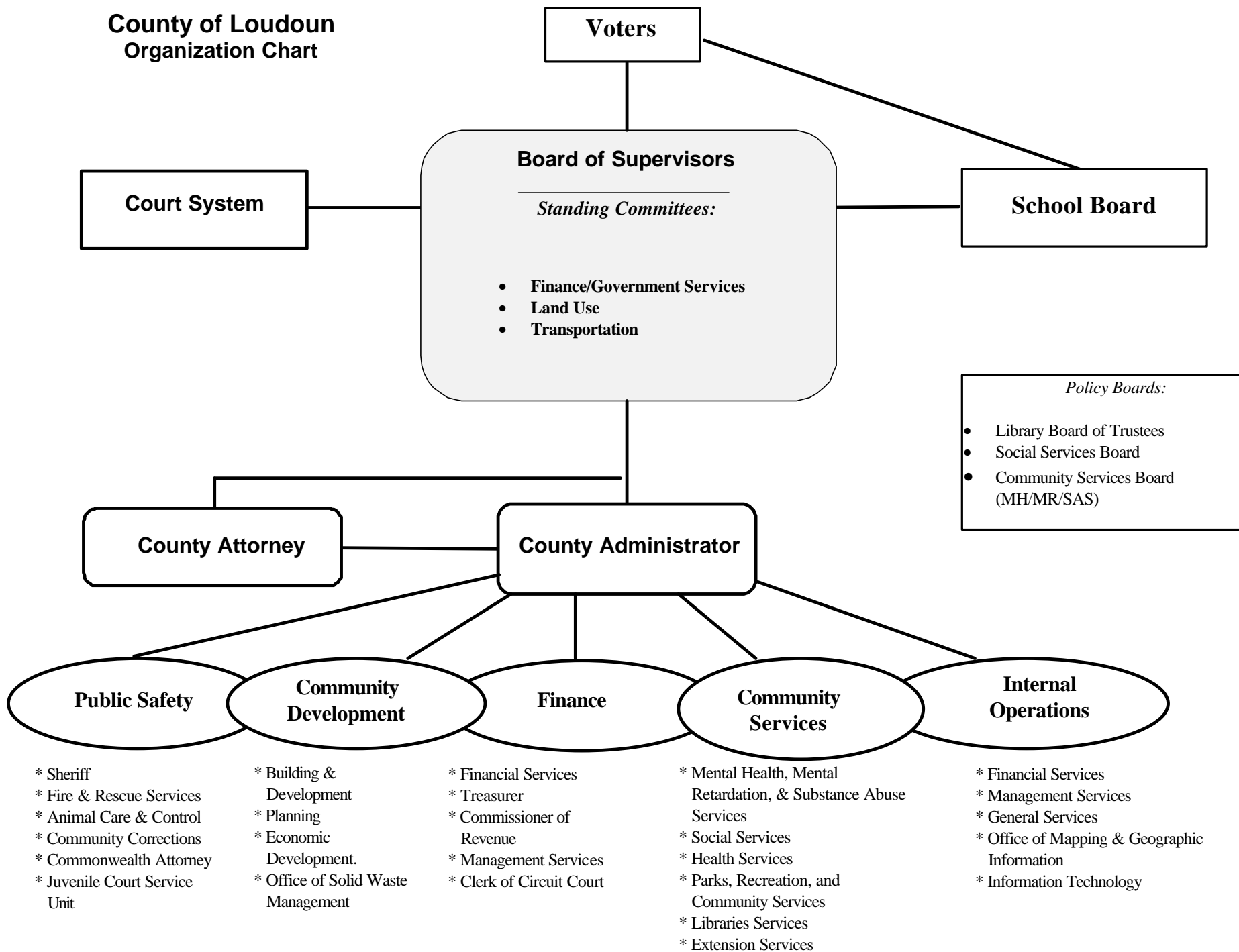
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Esler
Executive Director

County of Loudoun Organization Chart



COUNTY OF LOUDOUN, VIRGINIA

Directory of Officials

June 30, 2001

BOARD OF SUPERVISORS

Scott K. York, Chairman
Eleanore C. Towe, Vice Chairman
Charles A. Harris
Sally R. Kurtz
J. Drew Hiatt
Mark R. Herring
James G. Burton
Eugene A. Delgaudio
William D. Bogard

At Large
Blue Ridge District
Broad Run District
Catoctin District
Dulles District
Leesburg District
Mercer District
Sterling District
Sugarland Run District

SCHOOL BOARD

Joseph W. Vogric, Chairman
Harry F. Holsinger, Vice Chairman
John A. Andrews
Geary M. Higgins
Frederick F. Flemming
Patrick F. Chorprenning, Jr.
J. Warren Geurin
Candyce P. Cassell
Thomas E. Reed

Dulles District
Blue Ridge District
Broad Run District
Catoctin District
Leesburg District
Mercer District
Sterling District
Sugarland Run District
At Large Member

CONSTITUTIONAL OFFICERS

Catherine V. Ashby
Robert D. Anderson
Gary M. Clemens
Stephen O. Simpson
H. Roger Zurn, Jr.

Commissioner of Revenue
Commonwealth's Attorney
Clerk of Circuit Court
Sheriff
Treasurer

ADMINISTRATIVE OFFICERS - GENERAL GOVERNMENT

Kirby M. Bowers
John A. Wells
Linda A. Neri
Candice L. deButts
Robert P. Griffin
John R. Roberts
M.E. (Mickey) Poole, Jr.
Paul N. Arnett

County Administrator
Deputy County Administrator
Deputy County Administrator
Deputy County Administrator
Assistant County Administrator
County Attorney
Director of Financial Services
Deputy Director of Financial Services/Comptroller

ADMINISTRATIVE OFFICERS - SCHOOL SYSTEM

Dr. Edgar B. Hatrick
Ned D. Waterhouse
Sharon D. Ackerman
Evan E. Mohler
C. Sue Hurd
Matthew D. Britt, IV
Douglas C. Holmes

Superintendent of Schools
Deputy Superintendent
Assistant Superintendent
Assistant Superintendent
Assistant Superintendent
Assistant Superintendent
Assistant Superintendent

COUNTY OF LOUDOUN

The County of Loudoun is a historic, transitional rural county that was established in 1757 and named for John Campbell, Fourth Earl of Loudoun. The County is located in the Northwestern tip of the Commonwealth of Virginia just west and north of Washington, D.C., and is considered to be part of the Northern Virginia and Washington Metropolitan areas. The County is approximately 517 square miles in size, covering 330,880 acres of land area, with a current population of approximately 136,485 and is one of the fastest growing jurisdictions in the Washington Metropolitan Area.

The County is governed by an elected body of representatives called the Board of Supervisors, with one Supervisor elected from each of the eight magisterial districts and one At-Large (Chairman) for a term of four years. The Board of Supervisors is the legislative and policy setting body for the County government, oversees general governmental operations, and is responsible for appropriating funds for the various County departments and agencies. A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of these departments and agencies. The Board also appoints the Planning Commission, the Library Board, the Social Services Board, as well as other advisory boards, commissions, committees, etc.

In addition to the Board of Supervisors, other elected County officials include: the School Board, the Commonwealth Attorney, Commissioner of Revenue, Treasurer, Sheriff and Circuit Court Clerk. The judges of the Circuit Court, General District Court, and the Juvenile and Domestic Relations District Court are elected by the State Legislature.

Loudoun County has the conveniences associated with urban areas, while maintaining a comfortable "Country-Living" atmosphere. The eastern portion of the County borders with Fairfax County, Virginia, and contains the rapidly expanding Dulles International Airport. This portion of the County has grown into a densely populated area with easy access to the Washington Metropolitan Area. This part of the County portrays the "suburban life", with many modern conveniences, easy access to schools, airport, shopping centers, etc. While Eastern Loudoun, experiencing heavy development pressures from the Washington Metropolitan Area, represents the new urban growth, Western Loudoun, bordered by the Blue Ridge Mountains to the west and Potomac River to the north, displays a rural and historical environment. The western portion of the County is made up of small towns and villages surrounded primarily by farmland and open spaces. This portion of the County is sparsely populated and represents the past, with many of the oldest historical sites in the United States. The combination of Eastern and Western Loudoun, of urban growth and historic stability, makes Loudoun County one of the most desirable counties in Northern Virginia for businesses and residents to locate.



Report of independent public accountants

To the Honorable Members
of the Board of Supervisors,
County of Loudoun, Virginia:

We have audited the accompanying general-purpose financial statements of the County of Loudoun, Virginia (the County), as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the Loudoun County Sanitation Authority. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for the Loudoun County Sanitation Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States, the standards applicable to financial audits contained in *Government Auditing Standards* (1999 Revision) issued by the Comptroller General of the United States and *Specifications for Audits of Counties, Cities and Towns* (1993 Revision) issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Loudoun, Virginia, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our reports dated October 19, 2001 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a

Arthur Andersen LLP

October 19, 2001
Vienna, Virginia

County of Loudoun, Virginia

General Purpose Financial Statements

County of Loudoun, Virginia						Exhibit I									
Combined Balance Sheet-All Fund Types, Account Groups and Discretely Presented Component Units As of June 30, 2001															
						Fiduciary	Account Groups		Total	Component Units		Totals-Reporting Entity			
						Fund Types	General	General	Primary			(Memorandum Only)			
						Trust and Agency	Fixed Assets	Long-Term Debt	Government (Memorandum Only)	School Board	Sanitation Authority	2001	2000		

County of Loudoun, Virginia					Exhibit II				
Combined Statement of Revenues, Expenditures and Changes in Fund Balance-All Governmental									
Fund Types, Expendable Trust Funds and Discretely Presented Component Unit									
Year Ended June 30, 2001									
	Governmental Fund Types				Fiduciary	Totals	Component	Totals-Reporting Entity	
	General	Special	Capital	Debt	Fund Types	Primary	Unit	(Memorandum Only)	
		Revenue	Funds	Service	Expendable	Government	School Board	2001	2000
					Trust	(Memorandum Only)			
Revenues:									
General property taxes	\$ 255,233,582	\$ 5,782,960	\$ 0	\$ 0	\$ 0	\$ 261,016,542	\$ 0	\$ 261,016,542	\$ 219,302,974
Other local taxes	60,498,486	3,776,609	84,462	0	4,004,823	68,364,380	0	68,364,380	54,083,255
Permits and licenses	14,519,685	0	0	0	0	14,519,685	0	14,519,685	13,408,218
Intergovernmental	59,014,612	3,094,128	340,340	0	4,866	62,453,946	75,086,450	137,540,396	108,687,192
Charges for services	8,421,687	27,897	3,070	0	0	8,452,654	6,584,857	15,037,511	12,266,366
Fines and forfeitures	1,546,259	0	0	0	0	1,546,259	0	1,546,259	1,474,405
Use of money and property	9,335,056	79,678	1,250	2,591,081	2,386,359	14,393,424	353,300	14,746,724	10,584,560
Miscellaneous	321,785	14,589	21,493	0	11,203,567	11,561,434	1,415,978	12,977,412	8,621,042
Recovered costs	4,659,997	572,737	188,847	0	0	5,421,581	1,339,398	6,760,979	5,156,306
Non-revenue receipts	387,289	0	0	0	0	387,289	0	387,289	20,220
Total revenues	413,938,438	13,348,598	639,462	2,591,081	17,599,615	448,117,194	84,779,983	532,897,177	433,604,538
Expenditures:									
Current									
General government administration	27,648,372	0	0	0	0	27,648,372	0	27,648,372	24,241,248
Judicial administration	5,259,565	28,552	0	0	0	5,288,117	0	5,288,117	4,438,785
Public safety	42,695,873	2,729,363	0	0	693,431	46,118,667	0	46,118,667	36,933,059
Public works	7,775,560	4,446,278	0	0	0	12,221,838	0	12,221,838	9,378,437
Health and welfare	32,534,085	6,191,430	0	0	80,254	38,805,769	0	38,805,769	31,913,203
Education	127,649	0	0	0	0	127,649	254,091,424	254,219,073	212,459,950
Parks, recreation and cultural development	19,947,329	1,179,090	0	0	0	21,126,419	0	21,126,419	16,340,004
Community development	14,301,901	1,103,427	0	0	3,063,114	18,468,442	0	18,468,442	12,874,415
Miscellaneous	0	0	0	0	205,806	205,806	0	205,806	151,315
Capital outlay	0	0	37,107,687	0	0	37,107,687	80,488,406	117,596,093	69,886,618
Debt service:									
Principal retirement	0	87,796	0	21,207,453	0	21,295,249	3,566,140	24,861,389	18,378,363
Interest and service charges	0	17,743	0	16,807,940	0	16,825,683	189,162	17,014,845	15,022,255
Total expenditures	150,290,334	15,783,679	37,107,687	38,015,393	4,042,605	245,239,698	338,335,132	583,574,830	452,017,652
Excess (deficiency) of revenues over (under) expenditures	263,648,104	(2,435,081)	(36,468,225)	(35,424,312)	13,557,010	202,877,496	(253,555,149)	(50,677,653)	(18,413,114)
Other financing sources (uses):									
Transfers-in	1,748,457	5,685,269	29,221,710	31,616,711	170,267	68,442,414	3,713,692	72,156,106	75,742,238
Transfers-out	(61,754,076)	(710,571)	(41,431)	(3,870,000)	(5,679,675)	(72,055,753)	(3,713,692)	(75,769,445)	(76,889,990)
Operating transfers in-primary government	0	0	0	0	0	0	296,908,326	296,908,326	208,819,418
Operating transfers in-component unit	629,165	0	0	13,453,116	0	14,082,281	0	14,082,281	10,205
Operating transfers out-primary government	0	0	0	0	0	0	(14,607,281)	(14,607,281)	(510,205)
Operating transfers out-component unit	(183,023,226)	0	0	(113,190,000)	(695,100)	(296,908,326)	0	(296,908,326)	(208,819,418)
Lease/purchase financing	0	0	0	0	0	0	5,670,000	5,670,000	5,447,441
Proceeds from sale of bonds	0	0	0	117,060,000	0	117,060,000	0	117,060,000	71,847,885
Total other financing sources (uses)	(242,399,680)	4,974,698	29,180,279	45,069,827	(6,204,508)	(169,379,384)	287,971,045	118,591,661	75,647,574
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	21,248,424	2,539,617	(7,287,946)	9,645,515	7,352,502	33,498,112	34,415,896	67,914,008	57,234,460
Fund balances at beginning of year	85,990,233	3,299,012	57,981,946	9,986,163	34,506,680	191,764,034	(1,378,048)	190,385,986	133,151,526
Fund balances at end of year	\$ 107,238,657	\$ 5,838,629	\$ 50,694,000	\$ 19,631,678	\$ 41,859,182	\$ 225,262,146	\$ 33,037,848	\$ 258,299,994	\$ 190,385,986

County of Loudoun, Virginia							Exhibit III						
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds Year Ended June 30, 2001													
	General Fund			Special Revenue Funds				Debt Service Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)		Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenues:													
General property taxes	\$ 241,523,100	\$ 255,233,582	\$ 13,710,482	\$ 3,767,828	\$ 5,782,960	\$ 2,015,132	\$ 0	\$ 0	\$ 0	\$ 245,290,928	\$ 261,016,542	\$ 15,725,614	
Other local taxes	54,623,847	60,498,486	5,874,639	3,375,978	3,776,609	400,631	0	0	0	57,999,825	64,275,095	6,275,270	
Permits and licenses	13,477,565	14,519,685	1,042,120	0	0	0	0	0	0	13,477,565	14,519,685	1,042,120	
Intergovernmental	50,056,208	59,014,612	8,958,404	3,314,300	3,094,128	(220,172)	0	0	0	53,370,508	62,108,740	8,738,232	
Charges for services	8,099,311	8,421,687	322,376	26,000	27,897	1,897	0	0	0	8,125,311	8,449,584	324,273	
Fines and forfeitures	1,546,834	1,546,259	(575)	0	0	0	0	0	0	1,546,834	1,546,259	(575)	
Use of money and property	4,134,959	9,335,056	5,200,097	0	79,678	79,678	1,500,000	2,591,081	1,091,081	5,634,959	12,005,815	6,370,856	
Miscellaneous	247,656	321,785	74,129	0	14,589	14,589	0	0	0	247,656	336,374	88,718	
Recovered costs	4,693,271	4,659,997	(33,274)	350,000	572,737	222,737	0	0	0	5,043,271	5,232,734	189,463	
Non-revenue receipts	1,525	387,289	385,764	0	0	0	0	0	0	1,525	387,289	385,764	
Total revenues	378,404,276	413,938,438	35,534,162	10,834,106	13,348,598	2,514,492	1,500,000	2,591,081	1,091,081	390,738,382	429,878,117	39,139,735	
Expenditures:													
Current													
General government administration	30,541,664	27,648,372	2,893,292	0	0	0	0	0	0	30,541,664	27,648,372	2,893,292	
Judicial administration	5,705,658	5,259,565	446,093	26,000	28,552	(2,552)	0	0	0	5,731,658	5,288,117	443,541	
Public safety	45,460,636	42,695,873	2,764,763	2,998,050	2,729,363	268,687	0	0	0	48,458,686	45,425,236	3,033,450	
Public works	10,023,248	7,775,560	2,247,688	3,711,365	4,446,278	(734,913)	0	0	0	13,734,613	12,221,838	1,512,775	
Health and welfare	36,533,944	32,534,085	3,999,859	6,445,132	6,191,430	253,702	0	0	0	42,979,076	38,725,515	4,253,561	
Education	127,649	127,649	0	0	0	0	0	0	0	127,649	127,649	0	
Parks, recreation and cultural development	21,733,684	19,947,329	1,786,355	1,209,090	1,179,090	30,000	0	0	0	22,942,774	21,126,419	1,816,355	
Community development	16,594,232	14,301,901	2,292,331	4,097,108	1,103,427	2,993,681	0	0	0	20,691,340	15,405,328	5,286,012	
Debt service:													
Principal retirement	0	0	0	0	0	0	21,313,787	21,207,453	106,334	21,313,787	21,207,453	106,334	
Interest and service charges	0	0	0	0	0	0	16,545,571	16,807,940	(262,369)	16,545,571	16,807,940	(262,369)	
Total expenditures	166,720,715	150,290,334	16,430,381	18,486,745	15,678,140	2,808,605	37,859,358	38,015,393	(156,035)	223,066,818	203,983,867	19,082,951	
Excess (deficiency) of revenues over (under) expenditures	211,683,561	263,648,104	51,964,543	(7,652,639)	(2,329,542)	5,323,097	(36,359,358)	(35,424,312)	935,046	167,671,564	225,894,250	58,222,686	
Other financing sources (uses):													
Transfers-in	1,390,338	1,748,457	358,119	5,685,269	5,685,269	0	31,616,711	31,616,711	0	38,692,318	39,050,437	358,119	
Transfers-out	(35,233,008)	(61,754,076)	(26,521,068)	(382,079)	(710,571)	(328,492)	(850,000)	(3,870,000)	(3,020,000)	(36,465,087)	(66,334,647)	(29,869,560)	
Operating transfers in-component unit	0	629,165	629,165	0	0	0	0	13,453,116	13,453,116	0	14,082,281	14,082,281	
Operating transfers out-component unit	(208,266,861)	(183,023,226)	25,243,635	0	0	0	(59,150,000)	(113,190,000)	(54,040,000)	(267,416,861)	(296,213,226)	(28,796,365)	
Proceeds from sale of bonds	0	0	0	0	0	0	60,000,000	117,060,000	57,060,000	60,000,000	117,060,000	57,060,000	
Total other financing sources (uses)	(242,109,531)	(242,399,680)	(290,149)	5,303,190	4,974,698	(328,492)	31,616,711	45,069,827	13,453,116	(205,189,630)	(192,355,155)	12,834,475	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(30,425,970)	21,248,424	51,674,394	(2,349,449)	2,645,156	4,994,605	(4,742,647)	9,645,515	14,388,162	(37,518,066)	33,539,095	71,057,161	
Fund balances at beginning of year	85,990,233	85,990,233	0	3,299,012	3,299,012	0	9,986,163	9,986,163	0	99,275,408	99,275,408	0	
Fund balances at end of year	\$ 55,564,263	\$ 107,238,657	\$ 51,674,394	\$ 949,563	\$ 5,944,168	\$ 4,994,605	\$ 5,243,516	\$ 19,631,678	\$ 14,388,162	\$ 61,757,342	\$ 132,814,503	\$ 71,057,161	

County of Loudoun, Virginia

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances
All Proprietary Fund Types, Similar Trust Funds and Discretely Presented Component Unit
Year Ended June 30, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals Primary	Component Unit	Totals Reporting
	Internal Service	Nonexpendable Trust Fund	Government (Memorandum Only)	Sanitation Authority	Entity (Memorandum Only)
Operating revenues:					
Charges for services	\$ 35,582,027	\$ 0	\$ 35,582,027	\$ 24,400,343	\$ 59,982,370
Use of property	<u>125,789</u>	<u>0</u>	<u>125,789</u>	<u>0</u>	<u>125,789</u>
Total operating revenues	<u>35,707,816</u>	<u>0</u>	<u>35,707,816</u>	<u>24,400,343</u>	<u>60,108,159</u>
Operating expenses:					
Claims	22,080,443	0	22,080,443	0	22,080,443
Personnel services	1,941,694	0	1,941,694	5,364,194	7,305,888
Other services and charges	8,758,146	5,061	8,763,207	6,326,965	15,090,172
Materials and supplies	2,836,706	0	2,836,706	1,323,324	4,160,030
Depreciation	<u>2,464,453</u>	<u>0</u>	<u>2,464,453</u>	<u>8,676,580</u>	<u>11,141,033</u>
Total operating expenses	<u>38,081,442</u>	<u>5,061</u>	<u>38,086,503</u>	<u>21,691,063</u>	<u>59,777,566</u>
Operating (loss) income	<u>(2,373,626)</u>	<u>(5,061)</u>	<u>(2,378,687)</u>	<u>2,709,280</u>	<u>330,593</u>
Non-operating revenues (expenses):					
Interest revenue	0	776	776	0	776
Interest expense	0	0	0	(6,559,530)	(6,559,530)
Availability Fees	0	0	0	3,140,618	3,140,618
Investment Income	0	0	0	17,607,661	17,607,661
Gain on disposal of fixed assets	<u>36,958</u>	<u>0</u>	<u>36,958</u>	<u>0</u>	<u>36,958</u>
Net non-operating revenues (expenses)	<u>36,958</u>	<u>776</u>	<u>37,734</u>	<u>14,188,749</u>	<u>14,226,483</u>
Extraordinary Loss - Bond Defeasance	0	0	0	(2,014,593)	(2,014,593)
Net income before operating transfers	<u>(2,336,668)</u>	<u>(4,285)</u>	<u>(2,340,953)</u>	<u>14,883,436</u>	<u>12,542,483</u>
Operating transfers in (out);					
Transfers-in	3,613,339	0	3,613,339	0	3,613,339
Operating transfers in-component unit	<u>525,000</u>	<u>0</u>	<u>525,000</u>	<u>0</u>	<u>525,000</u>
Total other financing sources	<u>4,138,339</u>	<u>0</u>	<u>4,138,339</u>	<u>0</u>	<u>4,138,339</u>
Net income	<u>1,801,671</u>	<u>(4,285)</u>	<u>1,797,386</u>	<u>14,883,436</u>	<u>16,680,822</u>
Reduction of contributed capital	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,922,850</u>	<u>4,922,850</u>
Total Fund Equity at beginning of year	<u>12,623,421</u>	<u>54,080</u>	<u>12,677,501</u>	<u>75,297,427</u>	<u>87,974,928</u>
Total Fund Equity at end of year	<u>\$ 14,425,092</u>	<u>\$ 49,795</u>	<u>\$ 14,474,887</u>	<u>\$ 95,103,713</u>	<u>\$ 109,578,600</u>

The accompanying notes are an integral part of these financial statements.

**Combined Statement of Cash Flows -
All Proprietary Fund Types, Similar Trust Funds and Discretely Presented Component Unit
Year Ended June 30, 2001**

	Proprietary Fund Type	Fiduciary Fund Type	Totals Primary	Component Unit	Totals Reporting
	Internal Service	Nonexpendable Trust Fund	Government (Memorandum Only)	Sanitation Authority	Entity (Memorandum Only)
Cash flows from operating activities:					
Operating (loss) income	\$ (2,373,626)	\$ (5,061)	\$ (2,378,687)	\$ 2,709,280	\$ 330,593
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation and amortization	2,464,453	0	2,464,453	8,676,580	11,141,033
Change in assets and liabilities:					
Accounts receivable	72,108	0	72,108	(804,912)	(732,804)
Inventory of supplies	7,400	0	7,400	(104,847)	(97,447)
Prepaid items	0	0	0	(10,836)	(10,836)
Accounts payable	1,682,019	0	1,682,019	491,166	2,173,185
Due to other funds	831	0	831	0	831
Accrued payroll	4,946	0	4,946	0	4,946
Other liabilities	(1,647,586)	0	(1,647,586)	1,127,553	(520,033)
Deferred revenue	0	0	0	203,251	203,251
Total adjustments	2,584,171	0	2,584,171	9,577,955	12,162,126
Net cash (used in) provided by operating activities	210,545	(5,061)	205,484	12,287,235	12,492,719
Cash flows from noncapital financing activities:					
Operating transfers in	4,138,339	0	4,138,339	0	4,138,339
Net cash flows provided by noncapital financing activities	4,138,339	0	4,138,339	0	4,138,339
Cash flows from capital and related activities:					
Acquisition of capital assets	(3,355,510)	0	(3,355,510)	(9,530,222)	(12,885,732)
Contributions and advances	0	0	0	420,521	420,521
Proceeds from disposition of capital assets	36,958	0	36,958	25,995	62,953
Principal payments on bonds/notes	0	0	0	(2,052,340)	(2,052,340)
Interest payments on bonds	0	0	0	(7,543,567)	(7,543,567)
Availability fees	0	0	0	38,363,537	38,363,537
Bond proceeds	0	0	0	(684,442)	(684,442)
Net cash flows (used in) provided by capital and related financing activities	(3,318,552)	0	(3,318,552)	18,999,482	15,680,930
Cash flows from investing activities:					
Proceeds from sale of investments	0	0	0	162,409,000	162,409,000
Purchases of investments	0	0	0	(177,065,963)	(177,065,963)
Interest received on investments	0	776	776	10,498,784	10,499,560
Net cash flow provided by (used in) investing activities	0	776	776	(4,158,179)	(4,157,403)
Net increase (decrease) in cash and cash equivalents (including those held with fiscal agent)	1,030,332	(4,285)	1,026,047	27,128,538	28,154,585
Cash and cash equivalents (including those held with fiscal agent) at beginning of year	14,024,294	53,931	14,078,225	17,682,005	31,760,230
Cash and cash equivalents (including those held with fiscal agent) at end of year	\$ 15,054,626	\$ 49,646	\$ 15,104,272	\$ 44,810,543	\$ 59,914,815

The accompanying notes are an integral part of these financial statements.

**Combined Statement of Cash Flows -
All Proprietary Fund Types, Similar Trust Funds and Discretely Presented Component Unit
Year Ended June 30, 2000**

	<u>Proprietary Fund Type</u> Internal Service	<u>Fiduciary Fund Type</u> Trust and Agency	<u>Totals Primary Government</u> (Memorandum Only)	<u>Component Unit</u> Sanitation Authority	<u>Totals Reporting Entity</u> (Memorandum Only)
Reconciliation of cash and cash equivalents (including those held with fiscal agent) per Exhibit I to cash and cash equivalents (including those held with fiscal agent) per Exhibit V:					
Cash and cash equivalents (including those held with fiscal agent) per Exhibit I					
Cash and temporary investments	\$ 14,355,566	\$ 49,747,408	\$ 64,102,974	\$ 11,816,547	\$ 75,919,521
Cash and investments with fiscal agents and trustees	<u>699,060</u>	<u>15,931,183</u>	<u>16,630,243</u>	<u>32,993,996</u>	<u>49,624,239</u>
Total Cash and cash equivalents (including those held with fiscal agent) per Exhibit I	<u>15,054,626</u>	<u>65,678,591</u>	<u>80,733,217</u>	<u>44,810,543</u>	<u>125,543,760</u>
Less: Cash and temporary investments					
Expendable trust fund	0	33,967,119	33,967,119	0	33,967,119
Agency fund	<u>0</u>	<u>15,730,643</u>	<u>15,730,643</u>	<u>0</u>	<u>15,730,643</u>
Total cash and temporary investments	<u>0</u>	<u>49,697,762</u>	<u>49,697,762</u>	<u>0</u>	<u>49,697,762</u>
Cash and investments with fiscal agents					
Expendable trust fund	<u>0</u>	<u>15,931,183</u>	<u>15,931,183</u>	<u>0</u>	<u>15,931,183</u>
Total cash and investments with fiscal agents	<u>0</u>	<u>15,931,183</u>	<u>15,931,183</u>	<u>0</u>	<u>15,931,183</u>
Cash and cash equivalents (including those held with fiscal agent) per Exhibit V	<u>\$ 15,054,626</u>	<u>\$ 49,646</u>	<u>\$ 15,104,272</u>	<u>\$ 44,810,543</u>	<u>\$ 59,914,815</u>

The accompanying notes are an integral part of these financial statements.

County of Loudoun, Virginia
PENSION TRUST FUND
Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2001

	<u>2001</u>
ADDITIONS	
Contributions:	
County - Annual Required Contribution	\$ 652,896
County - Administrative Fees	9,871
Investment Income:	
Interest	<u>357,075</u>
TOTAL ADDITIONS	<u>1,019,842</u>
 DEDUCTIONS:	
Benefit Payments	<u>(714,658)</u>
TOTAL DEDUCTIONS	<u>(714,658)</u>
 Net Increase in the Year for Plan Net Assets	 305,184
 Net Assets Held in Trust for Pension Benefits at Beginning of Year	 <u>6,584,256</u>
 Net Assets Held in Trust for Pension Benefits at End of Year	 \$ <u>6,889,440</u>

COUNTY OF LOUDOUN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Loudoun, Virginia (the County), have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the County are described below.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

(A) REPORTING ENTITY

The County is a political subdivision of the Commonwealth of Virginia (the State), governed by a nine member elected Board of Supervisors and an appointed County Administrator. As required by accounting principles generally accepted in the United States, the financial statements present the government (the Primary Government) and its component units, the Loudoun County Public School System (the Schools) and the Loudoun County Sanitation Authority (the Sanitation Authority). The County of Loudoun Virginia, reporting entity is determined by certain criteria established by the GASB. The judgment whether to include or exclude activities is dependent upon the evaluation of certain criteria established by GASB.

The Schools are responsible for elementary and secondary education within the County's jurisdiction. Members of the Schools' governing board (the School Board) are elected. They were most recently elected in November 1999, and assumed their responsibilities on January 1, 2000. The Schools are fiscally dependent upon the County because the County's Board of Supervisors approves the School's budget, levies taxes (if necessary) and issues bonds for School capital projects and improvements. The financial statements of the Schools are presented using governmental fund types and account groups.

The Loudoun County Sanitation Authority was created on May 27, 1959 as a public body politic and corporate under the provisions of the Virginia Water and Waste Authorities Act (Chapter 28, Title 15.1, Section 1239 et. seq., Code of Virginia (1950), as amended), for the purpose of acquiring, constructing, operating and maintaining for Loudoun County (a) an integrated water supply and distribution system, and (b) an integrated sewerage and sewage disposal system, and for the purpose of exercising the powers conferred by the Virginia Water and Waste Authorities Act. The Primary Government and Sanitation Authority have entered into agreements to obtain loans through the Virginia Revolving Loan Fund to finance the design and construction of wastewater collection facilities for various communities in the County. The County levies and collects real property taxes in these various service districts in amounts sufficient to cover the Sanitation Authority's loan payments. As of June 30, 2001, there are two such loans outstanding with balances of \$1,691,116 and \$425,884. Because of this cooperative financial relationship between the two bodies, the County is required to present the Sanitation Authority as a component unit even though the two bodies are otherwise financially independent of one another. The Schools and the Sanitation Authority are the only such entities included within these financial statements

as component units. The Schools' financial statements are identified as Statements G-1 through G-6 in the accompanying Table of Contents. The Schools also have a June 30 year-end. The Sanitation Authority has a December 31 year-end and the financial statements for the year ended December 31, 2000 are presented herein, as a discretely presented component unit. The audited financial statements of the Sanitation Authority are available by writing to:

Loudoun County Sanitation Authority
P.O. Box 4000
Leesburg, Virginia 20177

(B) FUND ACCOUNTING

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise their assets, liabilities, fund balances/retained earnings, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The account groups are concerned only with the measurement of financial position, and do not measure results of operations. Interfund eliminations have not been made in the aggregation of this data. The various funds are grouped in the financial statements into the following fund types and account groups.

1. Governmental Funds - These funds are used to account for the expendable financial resources, other than those accounted for in proprietary and fiduciary funds. The governmental fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The individual governmental fund types are described below:
 - a. General Fund - The General Fund is the general operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.
 - b. Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally or administratively restricted to expenditures for specific purposes.
 - c. Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Debt service is primarily funded through General Fund operating transfers.
 - d. Capital Project Funds - Capital Project Funds are used to account for the acquisition, construction or replacement of major capital facilities (other than those financed by Proprietary and Fiduciary Funds).
2. Proprietary Funds - These funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position, and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary fund types consist of the Central Services Fund and the Self-Insurance Fund. The Sanitation Authority is included in the general purpose statements as an enterprise fund, accounted for as a proprietary fund type. The operations of these funds are generally intended to be self-supporting.

The Central Services Fund is used to account for the financing of goods or services provided among County departments on a cost-reimbursement basis and includes such activities as central supply, duplication, mail, vehicle, vehicle maintenance and telephone services. The Self-Insurance Fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss arising out of the assumption of risk rather than transferring that risk to a third party through the purchase of commercial insurance, and includes such uninsured risks as health, workers' compensation, and vehicle self-insurance programs.

3. Fiduciary Funds (Trust and Agency Funds) - These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These funds include Expendable Trust, Pension Trust, Nonexpendable Trust, and Agency Funds. Pension Trust and Nonexpendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. Expendable Trust Funds are accounted for on the same basis as Governmental Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
4. Account Groups - The County's two account groups are the General Fixed Asset Account Group (GFAAG) and the General Long-Term Debt Account Group (GLTDAG). The Schools include a separate GLTDAG and GFAAG as indicated in Statement G-1.

The GFAAG accounts for all fixed assets of the County, other than those accounted for in Proprietary Funds and the Schools' Component Unit statements. The GLTDAG is established to account for all long-term obligations of the County, except those included in Proprietary Funds (including the Sanitation Authority) and the Schools' Component Unit statements. These long-term obligations include, but are not limited to, long-term bonds, capital leases, compensated absences and landfill closure and postclosure costs.

(C) BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

1. All Governmental Funds, Expendable Trust Funds and Agency Funds are accounted for using the modified accrual basis of accounting, where revenues are recognized when they become measurable and available as net current assets. Accordingly, real and personal property taxes are recorded as deferred revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$2,569,275 and \$2,569,275 as of June 30, 2001 and 2000, respectively. Real and personal property taxes recorded at June 30, and those received within the first 45 days after year-end are included in tax revenues, with the related amount reduced from deferred revenues. Sales and utility taxes, which are collected by the State or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally in one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of specific funding are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general purpose grants are recognized during the period to which the grants apply. The property tax calendar is as follows:

	Real <u>Property</u>	Personal <u>Property</u>
Lien Date	Jan 5/Jul 5	Nov 5/Jun 5
Assessment Date	Jan 1	Jan 1
Levy Date	Apr 1	Mar 1
Due Date and Collection Date	Jun 5/Dec 5	Oct 5/May 5

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this rule include: (1) accumulated unpaid vacation leave, sick leave, and other employee amounts, which are recorded in the GLTDAG as compensated absences, and are recognized when paid, and (2) principal and interest payments on general long-term debt, both of which are recognized when paid.

2. All Proprietary Funds, Pension Trust Funds, and Nonexpendable Trust Funds are accounted for using the accrual basis of accounting where revenues are recognized when earned and expenses recognized when incurred.

In accordance with the provisions of GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, (GASB No. 20) the County continues to apply all applicable GASB pronouncements and has elected to apply only those Financial Accounting Standards Board Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

3. Basis of Presentation - Loudoun County Sanitation Authority Component Unit

The accounting policies of the Sanitation Authority conform to accounting principles generally accepted in the United States as applicable to proprietary enterprise funds of governmental units. The Sanitation Authority accounts for its operations in a manner similar to those often found in the private sector. The measurement focus is based upon the determination of net income. The costs (including depreciation) of providing goods and services to customers on a continuing basis are recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control and accountability. See Note XIX, which includes the detailed accounting policies of the Sanitation Authority.

(D) BUDGETS

Budgets are prepared and adopted on a basis consistent with accounting principles generally accepted in the United States. Annual appropriation resolutions and budgets are adopted for the General, Special Revenue, Debt Service Funds, Schools and the Sanitation Authority. The proposed budget also includes a recommended program of capital expenditures to be financed from current operations and a separate five-year capital improvement plan. All annual appropriations lapse at fiscal year-end with the exception of the Capital Project Funds, for which project-length budgets are adopted.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the Governmental and Fiduciary funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year.

During Fiscal Year 2001, supplemental increased (decreased) appropriations were approved as follows:

General Fund	\$8,686,845
County-Wide Sewer Service District	194,368
Federal Forfeited Property Fund	69,872
Hamilton Sewer Service District	284,745
Comprehensive Services Act Fund	1,000,000
Capital Assets Replacement Fund	119,575
Capital Projects Fund	(8,468,247)
Schools	1,988,160
Emergency 911 Fund	2,928,178

As of June 30, 2001, the Community Development Fund had a deficit fund balance of \$12,989. The deficit will be eliminated through the scheduled payments of the Community Development Block Grant loans. The Emergency 911 Fund had a deficit fund balance of \$794,390. The deficit will be eliminated through transfers from the General Fund in future years. The County-Wide Sewer Service District Fund had a deficit fund balance of \$4,874. The deficit will be eliminated when expenditures are made in future years and deferred revenue will then be recognized.

(E) CASH AND TEMPORARY INVESTMENTS

Within cash and temporary investments the County includes amounts in demand deposits as well as short-term investments with a maturity date generally within three months of the date acquired by the County.

In accordance with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools ("GASB No. 31"), cash and investments are stated at fair value.

For the Capital Projects and Debt Service Funds, interest income on cash held with fiscal agents and trustees is recorded within these respective funds.

The County does not record any investments at amortized cost.

(F) INVENTORIES OF SUPPLIES

Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed.

(G) PREPAID ITEMS

Prepaid items are payments made to vendors for services that will benefit periods after June 30, 2001. Prepaid items are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

(H) NONCURRENT NOTES AND LOANS RECEIVABLE

Noncurrent portions of long-term notes and loans receivables, net of allowances, are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

(I) FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental and school funds, with the related assets reported in the GFAAG of the Primary Government and the Schools. Purchased fixed assets are valued at cost where historical records are available, and at estimated historical cost where no historical records exist. Donated fixed assets, including land, are valued at their estimated fair value on the date received. Fixed assets acquired by proprietary fund types are capitalized in those funds.

The costs of nominal fixed assets and normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are not capitalized. Improvements are capitalized and, in the Internal Service Funds, depreciated over the remaining useful lives of the related fixed assets.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized since these assets are immovable and of value only to the County.

Assets in the GFAAG are not depreciated. Depreciation of buildings, small equipment and vehicles in the Internal Service Funds is computed using the straight-line method. Useful lives of these proprietary assets are 3-10 years for equipment and 5 years for vehicles. Depreciation of heavy equipment within the Internal Service Funds is computed using the units of hours method over the assets hourly useful life.

Interest is capitalized for proprietary assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds calculated over the same period. There were no such amounts capitalized during the year ended June 30, 2001.

(J) COMPENSATED ABSENCES

1. Primary Government Employees

In 1994, the Primary Government adopted a policy under which employees can accumulate and be paid-out upon employment separation, a maximum of 364 hours of earned but unused annual (vacation) leave. Employees with accrued balances in excess of 364 hours may utilize their accumulated balances in excess of 364 hours prior to December 31. Annual leave hours accrued in excess of 364 hours by each employee during each year are calculated at December 31, with the Primary Government converting those excess hours into additional sick leave hours.

As of June 30, 2001, a liability of \$6,661,469 has been recorded in the Primary Government's GLTDAG, representing the Primary Government's commitment to pay such costs in future periods.

Through June 30, 2001, Primary Government employees do not vest in accumulated sick leave, which is expensed when used. Therefore, no accrual for such accumulated amounts is required. Beginning July 1, 2001, employees with 10 years of service will be compensated for unused sick leave when they leave County employment. Employees meeting this criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of July 1, 2001, a liability of approximately \$2M was recorded on the County's general long term debt account group.

2. School System Employees

School employees, other than teachers, are allowed to accumulate a maximum of 480 hours of vacation leave which will be paid-out upon employment separation. Teachers do not accumulate annual leave. Additionally, all School employees with ten or more years of service are compensated for a portion of earned, but unused sick leave upon employment separation to a maximum amount of \$6,000 per individual. At June 30, 2001, a liability of \$6,740,692 has been reflected in the Schools' GLTDAG for vacation and sick leave which employees have accumulated and may be paid upon employment separation.

(K) INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity, if any, are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

(L) MEMORANDUM ONLY – TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States. Interfund eliminations have not been made in the aggregation of this data and therefore, the data is not comparable to a consolidation.

(M) COMPARATIVE DATA

Comparative total data for the prior year have been presented in certain of the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations.

(N) STATEMENT OF CASH FLOWS

The cash and cash equivalent amounts reported in the Combined Statement of Cash Flows - All Proprietary Fund Types, Similar Trust Funds and Discretely Presented Component Unit (identified as Exhibit V in the accompanying general purpose financial statements) is the equivalent of all demand deposits as well as investments with an initial maturity of 90 days or less.

(O) NEW ACCOUNTING PRONOUNCEMENTS

In December 1998, GASB released Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions (GASB No. 33). This Statement establishes accounting and financial reporting standards related to the timing of recognition of nonexchange transactions. GASB No. 33 became effective for the County in fiscal year 2001 and was implemented effective July 1, 2000. The County did not restate the prior year financial statements as the impact of GASB No. 33 on prior year was not material. Also, implementation of GASB No. 33 did not have a material impact on the County's financial position or the results of operations for the fiscal year 2001.

In June 1999, GASB released Statement No. 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments (GASB No. 34). This Statement establishes a new financial reporting model for state and local governments.

This new model requires that, at a minimum, the basic financial statements should consist of management's discussion and analysis, government-wide financial statements (prepared using the economic resources measurement focus and the accrual basis of accounting), fund financial statements (prepared using the current financial resources measurement focus and the modified accrual basis of accounting), notes to the financial statements and other required supplementary information. GASB No. 34 will become effective for the County in fiscal year 2002. Management expects that GASB No. 34 will have a significant impact on the financial statements of the County.

NOTE II - LEGAL COMPLIANCE -- BUDGETS

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements.

1. Prior to March 30, the County Administrator submits a proposed operating and capital budget for the fiscal year, commencing on the following July 1, to the Board of Supervisors. The operating and capital budget includes proposed expenditures and the related financing.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the Fund level. The appropriation for each Fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within County general government funds. The School Board is authorized to transfer budgeted amounts within the school system's funds.
5. Formal budgetary integration is employed at the character level within each department or capital project as a management control device during the year for the General Fund, Special Revenue Funds, Component Unit-Schools, Debt Service Fund, and Capital Project Funds.
6. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States for State and Local governments.
7. Appropriations lapse on June 30 for all County units except for the Capital Project Funds which carry unexpended balances into the following year on a continuing appropriation basis.

8. All budget amounts presented in the accompanying financial statements are the revised budget amounts as of June 30.

NOTE III - BANK DEPOSITS AND INVESTMENTS

Bank Deposits: At year-end, the carrying value of the County's deposits with banks and savings institutions was (\$640,951) which relates to checks which have been written and not cleared, and the bank balance was \$797,609. All bank balances during the year were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act). Under the Act, banks holding public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board (the Board). Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The deposits collateralized under the Act are considered to be insured. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan institutions.

The carrying amount of deposits for the Component Unit - Schools, was \$2,435,155 and the bank balance was \$2,435,155. All bank balances during the year were covered by federal depository insurance or collateralized in accordance with the Act.

Investments - State statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), African Development Bank and Asian Development Bank, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), and the State Treasurer's Non-Arbitrage Program (SNAP).

The County's investments are categorized on the following page to give an indication of the level of risk assumed by the entity at year-end.

- Category 1 includes investments that are insured or registered, for which the securities are held by the County or its safekeeping agent in the County's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's agent or the trust department of a financial institution in the County's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by the broker, counter-party's agent, or by the trust department of a financial institution, but not in the County's name.

Certain investments indicated in the following table, are not subject to categorization.

These investments include those in pools managed by other governments and mutual funds because they are not evidenced by securities that exist in physical or book entry form.

The County invests in an externally managed investment pool, LGIP, that is not SEC-registered. Pursuant to SEC. 2.1-234.7 of the Code of Virginia (1950), as amended, the State Treasury Board sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the State Treasury Board at their regularly scheduled monthly meetings, and the fair value of the position in the LGIP is the same as the value of the pool shares.

The equity in the Northern Virginia Transportation Commission (NVTC) investment pool is also invested in the externally managed investment pool, LGIP, that is described above, and the fair value of the position in the NVTC investment pool is the same as the value of the pool shares.

At year end, the Primary Government's investment and deposit balances were as follows:

	Category			Carrying Value	Fair Value
	1	2	3		
U.S. Government Securities	\$49,247,927	\$ -0-	\$ -0-	\$49,247,927	\$49,247,927
Commercial Paper	44,634,750	-0-	-0-	44,634,750	44,634,750
Bankers' Acceptances	11,775,260	-0-	-0-	11,775,260	11,775,260
Government Agencies	60,168,830	-0-	-0-	60,168,830	60,168,830
Repurchase Agreements	-0-	-0-	6,293,361	6,293,361	6,293,361
Sub-total	\$165,826,767	\$ -0-	\$6,293,361	\$172,120,128	\$172,120,128
Investment Not Subject to Categorization					
Investments in LGIP				45,320,494	45,320,494
Equity in VPSA Bond Pool Fund				26,160,200	26,160,200
Equity in NVTC Investment Pool				9,041,743	9,041,743
Pension Plan Guaranteed Annuity				6,889,440	6,889,440
<i>Total Investments</i>				\$259,532,005	\$259,532,005
Escrow Accounts				766,039	
Cash on Hand				32,577	
Total Bank Deposits				(640,951)	
<i>Total Deposits and Investments</i>				\$259,689,670	

At year-end, the Component Unit-Schools' investment balances were as follows:

	Category			Carrying Value	Fair Value
	1	2	3		
U.S. Government Securities	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<i>Sub-Total</i>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Investment Not Subject to Categorization				-0-	-0-
Investments in LGIP				48,065,373	46,065,373
Equity in VPSA Bond Pool Fund				14,347,603	14,347,603
Total Investments				\$62,412,976	\$62,412,976
Total Bank Deposits				2,435,155	
<i>Total Deposits and Investments</i>				\$64,848,131	

Due to significantly higher cash flows at certain times during the year, the County's investment in overnight repurchase agreements (or other authorized investment vehicles), for which the underlying securities were held by the dealer, increased significantly. As a result, the amounts included in Category 3 at those times were significantly higher than at year-end.

NOTE IV - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments as of June 30, 2001, are summarized as follows:

	Primary Government		Component Unit- Schools	
	General Fund	Special Revenue Fund	School Operating Fund	Total
Commonwealth of Virginia	\$7,780,057	\$1,494,613	\$3,947,958	\$13,222,628
Federal Government	957,269	-0-	962,998	1,920,267
Total	\$8,737,326	\$1,494,613	\$4,910,956	\$15,142,895

NOTE V - CHANGE IN FIXED ASSETS

The changes in general fixed assets and internal service fund fixed assets are summarized as follows:

(A) GENERAL FIXED ASSETS

	Primary Government				
	Balance July 1, 2000	Additions	Retirement	Transfer	Balance June 30, 2001
Land	\$52,026,951	\$12,404,012	(\$701,126)	\$ -0-	\$63,729,837
Buildings	81,376,845	997,509	-0-	1,129,030	83,503,384
Improvements other than Buildings	9,320,657	1,238,508	(12,248)	1,382,742	11,929,659
Equipment	22,178,034	8,350,384	(280,546)	-0-	30,247,872
Construction in Progress	15,360,015	16,210,943	-0-	(2,511,772)	29,059,186
Total-Primary Government	\$180,262,502	\$39,201,356	(\$993,920)	\$ -0-	\$218,469,938
	Component Unit – Schools				
	Balance July 1, 2000	Additions	Retirement	Transfers	Balance June 30, 2001
Land	\$17,528,779	\$3,712,752	\$ -0-	\$ -0-	\$21,241,531
Buildings	221,820,811	13,489,666	-0-	77,208,831	312,519,308
Improvements other than Buildings	762,409	-0-	-0-	-0-	762,409
Equipment	32,153,962	10,344,174	(2,697,787)	-0-	39,800,349
Construction in Progress	106,429,631	55,619,030	-0-	(77,208,831)	84,839,830
Total – Component Unit- Schools	\$378,695,592	\$83,165,622	(\$2,697,787)	\$ -0-	\$459,163,427

Construction in progress is composed of the following:

Function/Program	Primary Government			
	Program Authorization	Transferred To Fixed Assets By June 30, 2001	Construction In Progress At June 30, 2001	Committed For Expenditure After June 30, 2001
General Government Adm. General and Financial Adm.	\$34,486,910	\$31,535,334	\$25,828	\$2,925,748
Judicial Administration	30,006,356	33,575	22,910,754	7,062,027
Public Safety Corrections and Detention	54,769,724	11,707,048	2,848,904	40,213,772
Public Works Sanitation and Waste Removal	14,698,054	8,896,378	-0-	5,801,676
Health and Welfare Mental Health and Mental Retardation	1,756,638	321,617	60,584	1,374,437
Parks, Recreation and Cultural Libraries Parks and Recreation	41,203,306	25,693,454	3,213,116	12,296,736
Total-Primary Government	\$176,920,988	\$78,187,406	\$29,059,186	\$69,674,396

Function/Program	Component Unit – Schools			
	Program Authorization	Transferred To Fixed Assets By June 30, 2001	Construction In Progress at June 30, 2001	Committed For Expenditure After June 30, 2001
Education Schools	\$520,988,654	\$268,949,664	\$84,839,830	\$167,199,160
Total – Component Unit - Schools	\$520,988,654	\$268,949,664	\$84,839,830	\$167,199,160

(B) INTERNAL SERVICE FUND FIXED ASSETS

	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
Equipment, furniture and fixtures	\$3,434,031	\$233,577	(\$43,057)	\$3,624,551
Vehicles	10,544,350	3,137,360	(291,908)	13,389,802
Sub-Total	13,978,381	3,370,937	(334,965)	17,014,353
Less: Accumulated depreciation	(6,537,514)	(2,464,454)	319,539	(8,692,429)
Total- Internal Service Funds	\$7,440,867	\$906,483	(\$15,426)	\$8,331,924

NOTE VI - RISK MANAGEMENT

The County General Government's automobile liability and general liability protection are administered within the Virginia Municipal Liability Pool. Both agreements have a \$2 million per occurrence limit. The general liability protections have a \$2 million aggregate limit. Both policies have a \$100,000 retention. Member jurisdictions contribute to the pool based on their size and past claims experience. The County is also insured for law-enforcement liability and public officials liability risks through the State Law Enforcement Liability Self-Insurance Plan and the State Public Officials Self-Insurance Plan, respectively. These programs have a \$2 million per occurrence limit, and insure the County Sheriff's Department, other County enforcement agencies and all elected and appointed public officials and employees against certain types of claims. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs.

On December 1, 1988, the County secured excess "umbrella" liability coverage in the amount of \$12 million per occurrence through States Self-Insurers Risk Retention Group, Inc. (not an agency of the State). This excess coverage, in combination with the County's \$2 million primary coverages, brings all liability programs up to a limit of \$14 million per occurrence. In 1989, the County received a Certificate as a Qualified Self-Insurer from the Virginia State Industrial Commission. At that time, the County began to self-insure general government workers' compensation. At the same time, the County purchased excess and employers liability insurance from the Employers Reinsurance Corporation limiting individual claims against the self-insurance program to \$400,000. A reserve for pending claims and incurred but not reported claims of \$3,872,208 has been accrued as a liability within the self-insurance funds as an estimate based on information received from the County's outside actuary.

The County General Government's and Component Unit-Schools' workers' compensation claims administrator is Landin, Inc. Landin, Inc. is a third party administrator contracted to adjust workers' compensation claims, provide underwriting services, recommend reserve levels, including claims reported but not settled. Claims not closed out at January 1, 1990, remain with the Virginia Municipal Group Self-Insurance Association. All other property and casualty insurance either has been, or is expected to be renewed as it becomes due. The following table shows the amounts that have been accrued for workers' compensation as a liability within the self-insurance fund.

	<u>WORKERS' COMPENSATION</u>		
	Primary	Component	
	<u>Government</u>	<u>Unit - Schools</u>	<u>Total</u>
<u>FY2001</u>			
Unpaid Claims Beginning of Fiscal Year	\$4,019,694	\$1,444,100	\$5,463,794
Incurred Claims (Including IBNR)	(169,752)	(233,472)	(403,224)
Claim Payments	(905,993)	(282,369)	(1,188,362)
Unpaid Claims End of Fiscal Year	\$2,943,949	\$ 928,259	\$3,872,208
<u>FY2000</u>			
Unpaid Claims Beginning of Fiscal Year	\$3,445,244	\$1,045,919	\$4,491,163
Incurred Claims (Including IBNR)	1,290,752	761,079	2,051,831
Claim Payments	(716,302)	(362,898)	(1,079,200)
Unpaid Claims End of Fiscal Year	\$4,019,694	\$1,444,100	\$5,463,794

On October 1, 1994, the County General Government and Component Unit - Schools began to self-insure health care for all eligible employees and all retirees. Eligible employees are regular staff and long-term full-time temporary employees. Eligible retirees include all retirees who immediately begin drawing a retirement annuity from the Virginia Retirement System. Employer contribution rate for employees varies depending on scheduled hours. Employer contribution rate for retirees varies based on the type of retirement, years of service and type of coverage. The health insurance plan is a point of service plan. In-network services are covered with a \$10 co-pay for Primary Care Physician, \$15 for Specialists. Participants have an option to receive services out of network, subject to \$200 deductible and 10% co-insurance. Prescription drugs, dental and vision services are covered as part of the plan. The County has purchased specific and aggregate stop loss insurance from Mid Atlantic Medical Services, Inc., (MAMSI) limiting claims against the self-insurance program to \$80,000 per occurrence for individual claims and 125% of aggregate stop loss for aggregate claims. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County's outside actuary.

	<u>HEALTH INSURANCE</u>		
	Primary	Component	
	<u>Government</u>	<u>Unit - Schools</u>	<u>Total</u>
<u>FY2001</u>			
Unpaid Claims Beginning of Fiscal Year	\$ 856,000	\$ 2,072,000	\$ 2,928,000
Incurred Claims (Including IBNR)	7,684,242	14,761,300	22,445,542
Claim Payments	(7,618,242)	(14,883,300)	(22,501,542)
Unpaid Claims End of Fiscal Year	\$ 922,000	\$ 1,950,000	\$ 2,872,000
<u>FY2000</u>			
Unpaid Claims Beginning of Fiscal Year	\$ 711,000	\$ 1,711,000	\$ 2,422,000
Incurred Claims (Including IBNR)	5,907,826	12,379,744	18,287,570
Claim Payments	(5,762,826)	(12,018,744)	(17,781,570)
Unpaid Claims End of Fiscal Year	\$ 856,000	\$ 2,072,000	\$ 2,928,000

The County General Government's and Component Unit-Schools' health insurance administrator is MAMSI, a third party administrator. MAMSI is contracted to adjust health insurance claims, provide underwriting services, recommend reserve levels, including claims reported but not settled. Claims not closed out at September 30, 1994, remain with Trigon Blue Cross-Blue Shield of Virginia.

The Board of Supervisors has the authority to modify the provisions of the County's post-employment benefit program. As of June 30, 2001, 112 retirees or individuals who qualify for disability met the eligibility requirements for program participation. During FY2001, expenditures of \$259,766 were recorded for post-retirement health care benefits. This amount represents 69.53% of total contributions under the program. These amounts are not accrued over the employees' time of service, but are rather expensed when incurred. There were no significant reductions in insurance coverage from prior years, nor have settlements exceeded insurance coverage for the past three years.

NOTE VII - OPERATING LEASES

The County General Government has various long-term non-cancelable operating lease agreements for property and equipment which expire through fiscal year 2006. Property leases generally provide renewal options and increases based on the Consumer Price Index. The Component Unit-Schools has no operating lease agreements as of June 30, 2001. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2001.

Fiscal Year	<u>Primary Government</u>
2002	\$2,473,741
2003	1,817,631
2004	1,677,092
2005	1,311,721
2006	847,861
Total	\$8,128,046

NOTE VIII - CAPITAL LEASES

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2001.

Fiscal Year	Primary Government	Component Unit - Schools
2002	\$3,581,190	\$3,230,921
2003	3,290,769	2,449,371
2004	2,911,590	2,114,324
2005	2,913,700	1,174,812
2006-2010	14,567,620	-0-
2011-2015	12,630,660	-0-
2016-2020	10,491,170	-0-
Sub-Total	\$50,386,699	\$8,969,428
Less-amounts representing interest	21,002,150	727,107
Capital lease obligations	\$29,384,549	\$8,242,321

Capital leases payable as of June 30, 2001, are composed of the following individual items.

Primary Government					
Date Issued	Final Maturity	Amount of Issue	Interest Rate	Balance June 30, 2001	Type of Project Financed (the assets acquired secure the related capital lease)
09/15/90	Apr 2011	\$ 8,695,000	7.12%	\$3,435,000	Library Facility
12/08/94	Feb 2019	30,060,000	Variable	25,615,000	Government Complex
07/22/99	Jul 2002	949,157	3.40%	334,549	Computer Equipment
Total		\$39,704,157		\$29,384,549	
Component Unit – Schools					
Date Issued	Final Maturity	Amount of Issue	Interest Rate	Balance June 30, 2001	Type of Project Financed (the assets acquired secure the related capital lease)
09/10/97	Sept 2001	3,000,000	4.47%	600,012	School Equipment
12/15/98	Dec 2002	1,000,000	3.98%	407,339	School Equipment
08/31/99	Aug 2003	4,498,284	4.43%	2,698,970	School Equipment
07/27/00	July 2004	5,670,000	5.17%	4,536,000	School Equipment
Total		\$14,168,284		\$8,242,321	

NOTE IX - BONDS AND LOANS PAYABLE

The following is a summary of changes in long-term obligations of the Primary Government and Schools for the year ended June 30, 2001:

Primary Government				
	Balance June 30, 2000	Additions	Reductions	Balance June 30, 2001
General obligation bonds and loans payable	\$276,274,000	\$117,060,000	\$19,772,795	\$373,561,205
Capital leases	30,907,003	-0	1,522,454	29,384,549
Compensated absences	4,878,068	1,783,401	-0-	6,661,469
Landfill closure and postclosure care costs	14,678,989	161,951	-0-	14,840,940
Total - Primary Government	\$326,738,060	\$119,005,352	\$21,295,249	\$424,448,163
Component Unit – Schools				
	Balance June 30, 2000	Additions	Reductions	Balance June 30, 2001
General Obligation Bonds	\$88,000		\$88,000	\$-0-
Capital leases	6,050,461	5,670,000	3,478,140	8,242,321
Compensated absences	5,777,650	963,042	-0-	6,740,692
Total – Component Unit – Schools	\$11,916,111	\$6,633,042	\$3,566,140	\$14,983,013

Bonds and loans payable as of June 30, 2001, are as follows:

Registered Bonds:

\$1,000,000 School Construction Bonds, Series 1990A, due in annual installments of \$50,000 through 2003, interest at 9.2%. The proceeds of these bonds were used for school improvements.	\$150,000
\$36,660,000 Public Improvement Bonds, Series 1993, due in annual installments from \$640,000 to \$2,775,000 through 2013, interest from 2.80% to 5.50%. The proceeds of these bonds were used for sanitary landfill (\$11,285,000) park land (\$190,000) and refunding of outstanding bonds (\$25,185,000).	24,585,000
\$22,445,000 Public Improvement Bonds, Series 1994, due in annual installments from \$1,120,000 to \$1,125,000, through 2014, interest from 4.50% to 5.10%. The proceeds of these bonds were used for construction and equipping of new schools.	15,710,000
\$16,665,000 School Construction Bonds, Series 1994B, due in annual installments from \$710,000 to \$865,000 through 2013, interest from 6.10% to 6.30%. The proceeds of these bonds were used for new school construction as well as improvements in existing schools.	11,075,000
\$18,115,000 School Construction Bonds, Refunding Series 1994A due in annual installments of \$225,000 to \$1,195,000 through 2011, interest from 5.5% to 8.6%. The proceeds of these bonds were used to refinance four bond issues from 1987, 1989, 1990 and 1991. The County will pay this bond issue at the same maturity levels as the refunded issues. Through this refinancing arrangement, the County realized a \$182,998 gain which was transferred to the School Capital Projects Fund.	9,890,000
\$30,700,000 Public Improvement Bonds, Series 1996A, due in annual installments of \$1,535,000 through 2016, interest from 4.70% to 6.70%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County.	18,420,000
\$10,000,000 School Construction Bonds, Series 1997A, due in annual installments of \$394,000 to \$1,045,000 through 2018, interest from 5.10% to 6.10%. The proceeds of these bonds were used for new school and technology construction. 8,500,000	
\$44,325,000 Public Improvement Bonds, Series 1997A, due in annual installments of \$2,215,000 to \$2,220,000 through 2017, interest from 4.30% to 6.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County and the development, construction and equipping of a Senior Services Center.	37,675,000
\$39,770,000 Public Improvement Bonds, Series 1998A, due in annual installments of \$1,460,000 to \$2,965,000 through 2019, interest from 4.00% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County.	33,840,000
\$10,105,000 Public Improvement Bonds, Series 1998B, due in annual	

installments of \$30,000 to \$1,910,000 through 2016, interest from 4.00% to 5.25%. The proceeds of these bonds were used for the refunding of outstanding bonds originally issued in 1989, 1993 and 1996.	10,075,000
\$20,235,000 School Construction Bonds, Series 1999A, due in annual installments of \$1,010,000 to \$1,015,000 through 2020, interest from 4.10% to 5.23%. The proceeds of these bonds were used for new school and technology construction.	19,220,000
\$10,000,000 Public Improvement Bonds, Series 1999B, due in annual installments of \$100,000 to \$900,000 through 2020, interest from 3.60% to 5.40%. The proceeds of these bonds were used to finance the acquisition, construction and equipping of a public school in the County.	9,600,000
\$58,825,000 Public Improvement Bonds, Series 1999C, due in annual installments of \$1,540,000 to \$4,905,000 through 2020, interest from 4.50% to 5.75%. The proceeds of these bonds were used to finance the acquisition, construction and equipping of public schools in the County, the design, construction and equipping of a renovation and addition to the County's animal shelter and the renovation and expansion of the County's emergency communications systems.	53,920,000
\$3,020,000 School Construction Bonds, Series 2000A, due in annual installments of \$150,000 to \$155,000 through 2021, interest from 5.10% to 6.35%. The proceeds of these bonds were used to finance the design, construction and equipping of a gymnasium and addition to an existing elementary school in the County.	3,020,000
\$60,000,000 Public Improvement Bonds, Series 2000B, due in annual installments of \$2,650,000 to \$3,650,000 through 2021, interest from 4.48% to 5.38%. The proceeds of these bonds were used to finance the acquisition, construction and renovation and equipping of public schools in the County, the County's fire and rescue training center and replacement of the burn building, and enhancing the automated systems of the County libraries.	60,000,000
\$12,060,000 School Construction Bonds, Series 2001A, due in annual installments of \$600,000 to \$605,000 through 2021, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction and equipping of an elementary school in the County.	12,060,000
\$45,000,000 Public Improvement Bonds, Series 2001B, due in annual installments of \$1,535,00 to \$3,575,00 through 2021, interest from 4.00% to 5.25%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County and two of the County's libraries and to enhance the automated systems of the County's libraries.	<u>45,000,000</u>
Total General Obligation Bonds	<u>\$372,740,000</u>

Loans Payable:

\$909,000 for loan in 1998 from the Virginia Water Facilities Revolving Loan Fund due in semi-annual installments of \$52,769 through 2009, at interest of 2.0%. The proceeds of this loan were used to correct failing septic system problems of properties immediately adjacent to the Town of Hamilton.

821,205

Total General Obligation Bonds and Loan Payable

\$373,561,205

Annual requirements to amortize long-term debt and related interest for the Primary Government is as follows:

General Obligation Bonds and Loans – Primary Government Debt Service		
Year Ending June 30	Principal	Interest
2002	\$27,254,559	\$17,686,653
2003	27,786,359	17,163,632
2004	27,763,196	15,788,633
2005	27,685,071	14,412,424
2006	27,676,980	13,019,135
2007	26,163,930	11,667,151
2008	23,215,919	10,415,826
2009	19,542,946	9,265,076
2010	19,047,246	8,291,899
2011	18,005,001	7,354,780
2012	17,130,000	6,433,336
2013	16,955,000	5,560,614
2014	17,030,000	4,645,449
2015	15,265,000	3,804,990
2016	14,145,000	3,045,032
2017	12,564,998	2,344,923
2018	12,565,000	1,688,988
2019	9,840,000	1,101,815
2020	8,385,000	620,280
2021	4,940,000	266,225
2022	600,000	15,300
Total	\$373,561,205	\$154,592,161

In prior years, the County defeased certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in

the County's financial statements. As of June 30, 2001 \$37,305,000 of bonds outstanding are considered defeased.

NOTE X - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

In FY 1994, the County adopted GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs (GASB No. 18). State and federal laws and regulations require the County to place a final cover on its Woods Road landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, GASB No. 18 requires that the County record a portion of these closure and postclosure care costs as a long-term liability in each period based on landfill capacity used as of each balance sheet date. The \$14,840,940 and \$14,678,989 liability for landfill closure and postclosure care cost at June 30, 2001 and 2000, respectively, represent the estimated liability based on the usage of 94.4% and 95.3%, respectively, of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$883,687 as the remaining estimated capacity is used. The liability accrued at June 30, 2001 is based on what it would cost to perform all closure and postclosure care in 2001. The County expects to close the Woods Road landfill in the year 2002 and will revise the estimated liability each year to reflect the cost of closure in current dollars. Actual cost may differ from this estimate due to inflation, changes in technology or changes in regulation. The landfill is currently operated by the Primary Government in the General Fund.

NOTE XI - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables consisted of the following at June 30, 2001:

Primary Government		
Fund	Interfund Receivable	Interfund Payable
General Fund	\$5,745,685	\$ -0-
Central Services Fund	-0-	32,352
Community Development Fund	-0-	10,928
Debt Service Fund	-0-	2,919,869
Comprehensive Services Act Fund	-0-	625,132
Emergency 911 Fund	-0-	747,787
Transportation District	-0-	1,409,617
Totals	\$5,745,685	\$5,745,685
Component Unit – Schools		
Operating Fund	\$39,939	\$ -0-
Debt Service Fund	-0-	39,939
Totals	\$39,939	\$39,939

NOTE XII – CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the County. With respect to pending litigation, neither management nor the County Attorney can predict the outcome of certain of those matters at this time or the ultimate liability should the County not be successful in defending its position. In actions for monetary damages, other than taxation matters, the County may have coverage through self-insurance plans managed by the Commonwealth of Virginia. However, it is possible that in the near term, losses may be realized on claims in excess of amounts accrued on the balance sheet.

Due to the County's breadth of activities, there is a potential for environmental liability exposure to the County. The County has received notice from the Environmental Protection Agency regarding methane gas leakage from the County's landfill resulting in water contamination, and may be required to share in the cost of cleanup. Management believes, however, that the impact of potential environmental liabilities will not have a material affect on the financial position or results of operations of the County.

Additionally, the County has received a number of Federal and State grants. Although the County has been audited in accordance with the provisions of Office of Management and Budget Circular A-133, these grants remain subject to financial and compliance audits by the grantors or their representatives. Such audits could result in requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The amount of expenditures which may be disallowed as a result of audits at some future date cannot be determined at this time; however, County management believes such amounts, if any, will not have a material affect on the financial position or results of operations of the County.

NOTE XIII - DEFERRED COMPENSATION PLAN

The Primary Government offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the "Plan"). The Plan is available to all employees and permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

In accordance with GASB Statement No. 32, Accounting and Financial Reporting for the Internal Revenue Code 457 Deferred Compensation Plan, the Plan's investments of approximately \$25,514,598 designated for compensation benefits are not reported on the Primary Government's balance sheet as such funds are held in a trust, over which the Primary Government has limited oversight.

NOTE XIV - RETIREMENT PLANS

(A) DEFINED BENEFIT PENSION PLAN

1. Plan Description

The Primary Government and Component Unit-Schools contribute to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System (System). All full-time, salaried permanent employees of participating employers must participate in the VRS. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating law enforcement officers and firefighters) and at age 50 with 30 years of service for participating employees (age 50 with 25 years for participating law enforcement officers and firefighters). Benefits vest after five years of service. Employees who retire with a reduced benefit at or after age 55 (age 50 for participating law enforcement officers and firefighters) with at least five years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. An optional reduced retirement benefit is available to members of VRS as early as age 50 with 10 years of credited service.

In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing the System at P.O. Box 2500, Richmond, VA 23218-2500.

2. Funding Policy

Employees are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed both by the County and the School Board for their respective employees. If an employee leaves covered employment, the accumulated contributions plus interest earned may be refunded to the employee. Each participating employer is required by State statute to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by the Code of Virginia (1950), as amended, and approved by the VRS Board of Trustees. State statute may be amended only by the Commonwealth of Virginia Legislature.

Contributions made by the Primary Government and the Component Unit – Schools for their employees represent 5.13% and 5.61%, respectively, of covered payroll for the fiscal year, while employee contributions represent 5% of current covered payrolls. Total contributions made by the Schools to the VRS Statewide teacher pool for professional employees of the Schools, on behalf of the Schools and employees for the three fiscal years 1999, 2000 and 2001 were \$13,504,153, \$16,147,631 and \$17,433,081 respectively, and represented 13.56%, 14.04% and 12.54% of the covered payroll, respectively.

3. Annual Pension Cost

For 2001, the Primary Government's and Component Unit-Schools' annual pension cost of \$6,842,214 and \$1,736,786, respectively, was equal to the Primary Government's and Component Unit-Schools' required and actual contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method. The amortization method used is a ten year, level percent, closed method. The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases of 4% per year, and (c) 3.5% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4%. The actuarial value of the Primary Government's and Component Unit-Schools' assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period.

Trend Information for Primary Government

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension Cost</u> <u>(APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2001	\$6,842,214	100%	\$0
June 30, 2000	\$5,742,564	100%	\$0
June 30, 1999	\$4,908,933	100%	\$0

Trend Information for Component Unit-Schools

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension Cost</u> <u>(APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2001	\$1,736,786	100%	\$0
June 30, 2000	\$1,458,767	100%	\$0
June 30, 1999	\$1,275,579	100%	\$0

Schedule of Funding Progress for Primary Government

	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2000	\$120,106,673	\$104,252,713	(\$15,853,960)	115.21%	\$57,334,672	-27.65%
June 30, 1999	\$101,205,719	\$96,474,848	(\$4,730,871)	104.90%	\$48,656,343	-9.72%
June 30, 1998	\$ 85,482,917	\$81,302,071	(\$4,180,846)	105.14%	\$43,183,750	-9.68%
June 30, 1996	\$ 58,869,631	\$56,151,100	(\$2,718,531)	104.84%	\$36,313,853	-7.49%
June 30, 1994	\$ 44,079,818	\$41,575,953	(\$2,503,865)	106.02%	\$31,826,124	-7.87%

Schedule of Funding Progress for Component Unit-Schools

	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2000	\$23,544,746	\$20,727,670	(\$2,817,076)	113.59%	\$13,193,813	-21.35%
June 30, 1999	\$19,675,543	\$20,487,648	\$ 812,105	96.04%	\$11,313,639	7.18%
June 30, 1998	\$16,849,150	\$19,028,057	\$2,178,907	88.55%	\$10,210,748	21.34%
June 30, 1996	\$11,478,047	\$13,496,292	\$2,018,245	85.05%	\$ 8,211,722	24.58%
June 30, 1994	\$ 8,384,274	\$ 9,071,802	\$ 687,528	92.42%	\$ 7,018,684	9.80%

(B) VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

1. Plan Description

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies. The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. Members who retire at or after age 55 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$10 per month for each year of credited service earned after January 1, 1976, \$10 per month for each two years of credited service earned prior to January 1, 1976, with a maximum benefit of \$250 per month. The Loudoun County Board of Supervisors maintains the authority to establish and amend the benefit provisions of the Plan. The Plan does not issue a stand alone financial report. All required statements and disclosures are contained in these financial statements.

2. Funding Status and Progress

The Loudoun County Board of Supervisors maintains the authority to establish and amend the funding policy of the Plan. The Plan's funding policy provides for the periodic Primary Government contributions at actuarially determined rates to accumulate sufficient assets to pay benefits when due. Plan members are not required to and do not contribute to the Plan. Plan contributions are held in an unallocated insurance contract with Hartford Insurance Company.

3. Annual Pension Cost

The Primary Governments' contributions to the Plan for the three years ended June 30, 2001, 2000 and 1999 were \$652,896, \$799,815 and \$725,344, respectively, and were equal to the annual required contribution and annual pension cost for each year. The annual and required contribution was determined through a June 30, 2001 actuarial valuation using the entry age normal cost method. The amortization method used is a thirty year, level dollar, closed method. The actuarial assumptions included (a) 5.5% investment rate of return and (b) pre-retirement ancillary benefits of 7.5%. Both (a) and (b) include an inflation component of 2.5% to 3%. The actuarial value of the assets is equal to the market value of the assets.

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension Cost</u> <u>(APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2001	\$652,896	100%	\$0
June 30, 2000	\$799,815	100%	\$0
June 30, 1999	\$725,334	100%	\$0

Schedule of Funding Progress (in thousands of dollars)						
Actuarial Valuation Date	Net Assets Available for Benefits (At Contract Value)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
6/30/01	\$7,071	\$9,321	\$2,250	75.86%	N/A	N/A
6/30/00	6,584	8,475	1,891	77.69%	N/A	N/A
6/30/99	5,674	7,631	1,957	74.35%	N/A	N/A
6/30/98	5,229	7,266	2,037	71.97%	N/A	N/A
6/30/97	4,443	6,551	2,108	67.82%	N/A	N/A
6/30/96	4,021	6,195	2,174	64.91%	N/A	N/A

NOTE XV - DEFERRED REVENUE

Deferred revenue, representing uncollected tax billings of \$4,781,087, special assessment tax billings of \$116,659, and grants of \$3,505,364, not available for funding of current expenditures, totaled \$8,403,110 for both Primary Government and Schools as of June 30, 2001.

Property taxes deferred as a result of land use assessments and tax relief for the elderly and handicapped are not reflected in the financial statements since collection is contingent upon occurrence of certain events prescribed by statute. These contingent amounts represent approximately \$67.8 million at June 30, 2001.

NOTE XVI - EXCESS EXPENDITURES OVER APPROPRIATIONS

The Legal Resources Center Fund expenditures for FY01 were \$28,552 which exceeded its legal budget of \$26,000 by \$2,552.

The Route 28 Special Improvement Fund expenditures for FY 01 were \$4,274,115 which exceeded its legal budget of \$3,539,200 by \$734,915. All revenues collected in this fund are paid to the Virginia Department of Transportation; therefore, both revenues and expenditures exceeded the budget by like amounts.

The Federally Forfeited Property Fund expenditures in FY01 were \$85,394 which exceeded its legal budget of \$69,872 by \$15,522.

The Community Development Authority Fund expenditures for FY01 were \$1,006,319 which exceeded its legal budget of \$0 by \$1,006,319. All revenues in this fund are paid to the Community Development Authority; therefore, both revenues and expenditures exceeded the budget by like amounts.

NOTE XVII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT

Noncurrent notes and loans receivable consisted of the following at June 30, 2001.

General Fund

Non-interest bearing loan to the Loudoun County Sanitation Authority, to be repaid from sewage connection fees, if any.	\$ 600,000
Loan to Town of Leesburg, interest at 6%, to be repaid from all facility charges, with any unpaid amounts forgiven January 2007.	141,404
Non-interest bearing loan to Town of Leesburg, to be repaid from all facility charges, if any.	50,281
Loan to Town of Hamilton, to be repaid from sewer connection fees, if any.	36,977
Non-interest bearing loan to the Town of Round Hill, to be repaid from sewage connection fees, if any.	18,750
Loan to Ashburn Volunteer Fire Department, interest from .65% to 3.75%, due in annual installments of \$31,500 plus accrued interest, matures in 2014. This loan is secured by the property acquired with the loan proceeds.	409,500
Loan to Round Hill Volunteer Fire Department, interest from .75% to 3.40%, due in annual installments of \$25,000 plus accrued interest, matures in 2014. This loan is secured by the property acquired with the loan proceeds.	300,000
Loan to Sterling Volunteer Rescue Squad, interest at 4.30%, due in annual installments of \$16,000 plus accrued interest, matures in 2003.	64,000
Loan to Philomont Volunteer Fire Department, interest from 1.00% to 3.45%, due in annual installments of \$7,500 plus accrued interest, matures in 2014. This loan is secured by the property acquired with the loan proceeds.	97,500
Loan to Philomont Volunteer Fire Department, interest from 2.60% to 4.95%, due in annual installments of \$3,000 plus accrued interest. This loan is secured by the property acquired with the loan proceeds.	42,000
Loan to Leesburg Volunteer Fire Department, interest at 3.75% per annum, until July 1, 1998, at which time all accrued interest shall be added to the principal indebtedness. The principal balance, as of July 1, 1998, shall bear interest at a rate of 5% per annum, is due in annual installments of principal and interest, matures in 2018. This loan is secured by property acquired with the loan proceeds.	1,214,797

Loan to various individuals/families under the Affordable Housing Project. This loan is intended to assist qualified individuals/families pay for the closing cost associated in buying a home. Interest at 3.0%.

765,552

Total noncurrent notes and loans receivable - General Fund

\$3,740,761

NOTE XVIII - CONTRIBUTED CAPITAL

Changes in the County's contributed capital for its Proprietary Funds were as follows:

INTERNAL SERVICES - CENTRAL VEHICLE	
Contributed capital beginning balance	\$1,410,931
Contributed Uses: General Fund	-0-
Contributed capital ending balance	\$1,410,931

There were no other changes in contributed capital for fiscal year 2001.

NOTE XIX - LOUDOUN COUNTY SANITATION AUTHORITY - COMPONENT UNIT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Loudoun County Sanitation Authority, hereinafter referred to as the "Authority," was created on May 27, 1959 as a public body politic and corporate under the provisions of the Virginia Water and Waste Authorities Act (Chapter 28, Title 15.1, Section 1239 et. seq., Code of Virginia, 1950, as amended), for the purpose of acquiring, constructing, operating and maintaining for Loudoun County (a) an integrated water supply and distribution system, and (b) an integrated sewerage and sewage disposal system, and for the purpose of exercising the powers conferred by said Water and Sewer Authorities Act.

The accounting policies of the Authority conform to generally accepted accounting principles (GAAP) as applicable to Authorities. The following is a summary of the more significant policies:

A. REPORTING ENTITY

The Authority is reported as a component unit of the County in the County's financial statements.

B. BASIS OF PRESENTATION

The accounting policies of the Authority conform to generally accepted accounting principles as applicable to enterprise funds of governmental units. The Authority accounts for its operations in a manner similar to those often found in the private sector. The measurement focus is based upon the determination of net income.

The costs (including depreciation) of providing goods and services to customers on a continuing basis are recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control and accountability.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenues and expenses of the Authority are accounted for within one fund, an enterprise fund. The Authority uses the accrual basis of accounting for its enterprise fund, under which revenues are recognized when they are earned and expenses are recognized when they are incurred.

In accordance with GASB No. 20, the Authority has elected to apply all applicable GASB pronouncements as well as FASB statements and interpretations, APB opinions and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

D. BUDGET AND BUDGETARY ACCOUNTING

The following procedures are used by the Authority in establishing the budget as reflected in the financial statements:

- (1) Prior to December 1, the General Manager submits to the Board of Directors a proposed operating and capital budget for the fiscal year commencing the following January 1. The operating and capital budget includes proposed revenues and expenses.
- (2) Prior to December 31, the budget is legally enacted through the passage of a resolution.
- (3) The resolution places legal restrictions on the Authority as a whole, but only managerial restrictions on spending activity at the department level. Overall spending levels may only be revised by the Board of Directors.
- (4) Formal budgetary integration is employed at the detailed (line item) level as a management control device.
- (5) The budget is adopted on a basis consistent with generally accepted accounting principles. The budget as presented in the Statement of Revenues, Expenses, and Changes in Retained Earnings is the adopted budget with the exception of availability fees which have been restated to reflect the new method of accounting for such charges which the Authority adopted during fiscal 1992.
- (6) All budget data presented in the accompanying financial statements is the revised budget as of December 31.
- (7) All annual appropriations lapse at fiscal year end.

E. CASH AND INVESTMENTS

Cash and temporary investments include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Cash and temporary investments held by the Trustee include amounts held in money market funds as well as short-term investments with an original maturity of three months or less.

Investments include United States government and agency obligations, the State Treasurer's local government investment pool and obligations of the Commonwealth of Virginia and its subdivisions. Those investments with maturities of three months to a year are considered current and are stated at fair value. Investments with maturities greater than one year are considered long-term and are stated at fair value. Investments held by the Trustee are stated at fair value and include all United States obligations with a maturity in excess of three months. Interest on investments is recorded in the year earned.

Investments designated for the Deferred Compensation Plan are stated at fair value for the period ended December 31, 1999.

F. ACCOUNTS RECEIVABLE

Water and Wastewater Receivables

All continuing service receivables are recognized when earned with no allowance for uncollectibles as delinquent accounts attach as an enforceable lien on property if not collected within a certain period of time once notification has been given to the owner.

An estimated amount has been recorded for services rendered but not yet billed as of the close of the respective years represented. At December 31, 2000 and 1999, the Authority recorded \$2,717,437 and \$2,231,475 respectively, as unbilled water and wastewater service receivables.

Availability Receivable:

In connection with the construction of a wastewater system for the Broad Run Farms community, the Authority will collect availability fees from the various sources including property owners, developers and the County of Loudoun (see Note 6C). Availability fees receivable have been recorded for the amounts to be collected from these sources.

In connection with the construction of water and wastewater systems for the Ellick community, the Authority collected a portion of availability fees from property owners and the County of Loudoun. Availability fees receivable have been recorded for amounts outstanding from property owners.

G. INVENTORY

Inventory is valued at cost using the first-in, first-out (FIFO) method.

H. RESTRICTED ASSETS

Restricted assets represent resources of the Authority designated for specific purposes and include developers' advances, customer deposits, retainages payable held in escrow accounts, maintenance bonds and performance bonds. Restricted assets also include bond proceeds and funds set aside for repayment since their use is limited by applicable bond covenants.

I. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost. Donated assets are recorded at fair market value at the time received. Expenditures for repairs and upgrading which materially add to the value or life of an asset are capitalized. Other maintenance and repair costs are expensed as incurred.

Depreciation of all exhaustible property, plant and equipment is charged as an expense against operations using the straight-line method over the following estimated useful lives:

Water and Wastewater Systems	40-50 years
Buildings and Improvements	20-40 years
Machinery and Equipment	4-10 years
Vehicles	4- 5 years

Interest is capitalized on qualifying construction in process. For assets acquired with tax-exempt debt, the amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is

amortized using the straight-line method over the estimated useful life of the asset.

J. CONSTRUCTION IN PROCESS

Construction in process includes design and construction costs that accumulate until completion of the respective project, at which time the total cost is transferred to property, plant and equipment. When applicable, interest and other carrying costs are capitalized to construction in process. The Authority capitalized \$375,769 of net interest expense in 2000 and \$255,363 in 1999.

K. COMPENSATED ABSENCES

Authority employees are granted annual leave in varying amounts based on years of service, and sick leave at a rate of 7 ½ hours per month. In the event of termination, an employee is reimbursed for accumulated annual leave in full, and for sick leave in varying amounts based on years of service. Vested annual leave and sick leave balances are reflected in the accompanying financial statements as a current liability.

L. DEFERRED REVENUE

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Authority records permit fees and meter charges as revenue when the meters are installed on the customer's property, instead of upon receipt of the fees and charges. Additionally, the Authority has deferred prepaid availability fees from developers and fees relating to the Broad Run Farms Community (see Note 6C) and the Landfill Water Service Area (see Note 11B) which will be recognized as non-operating revenue and contributed capital when connections to the system occur.

M. BOND DISCOUNTS AND ISSUANCE COSTS

Bond discounts and issuance costs are deferred and amortized over the term of the bonds using a method which approximates the effective interest method. Bond discounts of \$4,886,329 are presented as a reduction of the face amount of bonds payable, whereas issuance costs are capitalized and amortized over the life of the bonds.

N. EQUITY

Contributed capital is recorded for the receipt of capital grants, contributions of funds, property, lines and improvements by developers, customers or other governments, as well as availability fees in excess of related costs. Depreciation on assets acquired with contributed capital is closed to contributed capital. Reserved retained earnings represent those portions of equity legally segregated for a specific future use.

O. NEW ACCOUNTING PRONOUNCEMENTS

In December 1998, the GASB issued Statement No. 33. The Authority has not yet determined the impact of adopting GASB No. 33 on its financial statement presentation or disclosures. The Authority is required to adopt GASB No. 33 for the fiscal year ending December 31, 2001.

In June 1999, the GASB issued Statement No. 34. The Authority has not yet determined the impact of adopting GASB No. 34 on its financial statement presentation or disclosures. The Authority, as a component unit of the County, is required to adopt GASB No. 34 for the fiscal year ending December 31, 2001.

2. CASH AND INVESTMENTS
A. DEPOSITS

The carrying value of the Authority's deposits with banks at year end was (\$47,535) and the bank balance was \$228,239 which was insured by the FDIC or protected under the provisions of the Virginia Security for Public Deposits Act (the Act). The Act provides for the pooling of collateral pledged with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for one public depositor and public depositors are prohibited from holding collateral in their name as security for deposits. The State Treasury Board is responsible for monitoring compliance with the collateralization and report requirements of the Act and for notifying local governments of compliance by banks and savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance.

If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover the loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Funds deposited in accordance with the requirements of the Act are considered fully secured and thus are not categorized below.

B. INVESTMENTS

The Code of Virginia authorizes the Authority to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia and its subdivisions, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end.

Category 1 includes investments that are insured or registered for which the securities are held by the Authority or its safekeeping agent in the Authority's name.

Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's agent or safekeeping department in the Authority's name.

Category 3 includes uninsured and unregistered investments held by a counterparty's agent or its safekeeping department but not the in Authority's name. The following table summarizes the amount in the respective categories:

	CATEGORY			Fair Value
	1	2	3	
Repurchase Agreements	\$ -0-	\$ -0-	\$11,791,779	\$11,791,779
U.S. Government Securities	209,332,001	-0-	-0-	209,332,001
Total Investments	\$209,332,001	\$ -0-	\$11,791,779	\$221,123,780
Total Deposits				10,393,323
Cash on Hand				3,914
Investments in LGIP				22,553,137
Escrow Accounts				68,390
Total Deposits and Investments				\$254,142,544

For purposes of reporting cash flows, the Authority considers all repurchase agreements, certificates of deposit, U.S. Government and Commonwealth of Virginia obligations with an original maturity of three months or less and money market funds to be cash equivalents.

The following table summarizes total cash and cash equivalents held at December 31, 2000 and 1999:

	2000	1999
Cash and Temporary Investments	\$9,615,799	\$ 9,432,394
Restricted Cash and Temporary Investments	2,200,748	2,180,955
Restricted Cash and Temporary Investments held by Trustee	32,993,996	6,068,656
Cash and Cash Equivalents	\$44,810,543	\$17,682,005

3. RESTRICTED ASSETS HELD BY TRUSTEE

Restricted assets held by the Trustee represent the portion of resources held by the Trustee on behalf of the Authority in accordance with the applicable bond covenants. These assets include cash, investments (at amortized cost) and accrued interest receivable of \$82,668 and \$80,060 at December 31, 2000 and 1999, respectively. Each account established under the indenture of trust has the following restricted assets held by the Trustee at December 31, 2000 and 1999:

	2000	1999
Bond Account – 1992 Bond Issue	\$1,829,057	\$ 2,394,096
Bond Account – 1994 Bond Issue	723,524	840,943
Bond Account – 1996 Bond Issue	835,285	971,617
Bond Account – 1996A Bond Issue	625,196	644,723
Bond Account – 1998 Bond Issue	936,247	1,083,637
Bond Account – 1999 Bond Issue	135,391	151,358
Bond Account – 2000 Bond Issue	234,190	-0-
Debt Service Reserve Account – 1992 Bond Issue	2,149,782	5,266,490
Debt Service Reserve Account – 1994 Bond Issue	1,226,893	1,142,717
Debt Service Reserve Account – 1996 Bond Issue	1,414,592	1,319,118
Debt Service Reserve Account – 1998 Bond Issue	2,369,378	2,211,716
Debt Service Reserve Account – 2000 Bond Issue	3,238,468	-0-
2000 Construction Account	22,553,137	-0-
2000 Cost of Issuance Account	156,425	2,970
Total Restricted Assets held by Trustee	\$38,427,565	\$16,029,385

4. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment are as follows:

	Balance January 1, 2000	Additions	Deletions/Transfers	Balance December 31, 2000
Water facilities	\$ 85,559,828	\$11,455,141	\$-0-	\$97,014,969
Wastewater facilities	113,180,492	8,784,590	-0-	121,965,082
Buildings and improvements	5,365,350	-0-	-0-	5,365,350
Machinery and equipment	4,337,011	770,387	(106,283)	5,001,115
Land	33,320,712	-0-	-0-	33,320,712
Construction in process	10,937,530	9,080,159	(11,749,952)	8,267,737
Total property, plant and equipment	252,700,923	30,090,277	(11,856,235)	270,934,965
Less: Accumulated Depreciation	45,003,382	5,469,833	(106,438)	50,366,777
Net Property, Plant and Equipment	\$207,697,541	\$24,620,444	(\$11,749,797)	\$220,568,188

5. OVERSIZING REIMBURSEMENTS

Oversizing reimbursements represent the current payable to developers who constructed oversized facilities and entered into an agreement with the Authority to be reimbursed as availability fees to that particular portion of the system are received. The Authority provides reimbursements annually for oversized facilities. Amounts payable for oversizing reimbursements are recorded only when availability and/or local facility fees are received. The amounts of unrecorded, but potential reimbursements if all requirements are met, were \$5,509,241 and \$7,171,379 for 2000 and 1999, respectively.

6. OTHER LIABILITIES

A. Revenue Bonds Payable

On December 4, 2000, the authority advance refunded \$22,060,000 of outstanding Water and Sewer system Revenue Bonds, Series 1992. Cash in the amount of \$23,155,980 was deposited into an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded bonds. The refunded bonds are considered to be defeased and the liability has been removed from the balance sheet.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,014,593. This difference has been recognized currently in Net Income as an extraordinary loss. The Authority completed the advance refunding to reduce its total debt service payments over the next 15 years by \$2.2 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,578,000.

On November 8, 2000, the Authority issued \$22,770,000 in Water and Sewer System Revenue Bonds, Series 2000, which bear interest from 4.3% to 5.75% to finance various capital improvements. Proceeds in the amount of \$22,470,932 were deposited into the 2000 Construction Account held by the Trustee. The remaining proceeds were used to pay the cost of issuance of the 2000 bonds.

On April 14, 1999, the Authority issued \$4,870,000 in Water and Sewer System Revenue Bonds, Refunding Series 1999, which bear interest at 4.75%, to advance refund \$4,465,000 of outstanding Water and Sewer System Revenue Bonds, Series 1992. Proceeds in the amount of \$4,840,100 were deposited into an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded bonds. The remaining proceeds were used to pay the cost of

refunding the 1992 bonds and the cost issuing the 1999 Refunding Bonds. The refunded bonds are considered to be defeased and the liability has been removed from the balance sheet.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$565,198. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being amortized to operations through the year 2015. The Authority completed the advance refunding to reduce its total debt service payments over the next 16 years by \$520,582 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$323,427.

On November 4, 1998, the Authority issued \$44,620,000 in Water and Sewer System Revenue Bonds, Series 1998, which bear interest at 4.75%, to acquire additional wastewater treatment capacity and transmission entitlements from the District of Columbia and District of Columbia Water and Sewerage Authority (DCWASA) as well as pay capital arrearages on the present capacity allocation in the Potomac Interceptor System. The Authority used \$39,985,213 of the proceeds to pay DCWASA. The remaining proceeds were used to make a deposit to the Debt Service Reserve and pay the cost of issuance of the 1998 bonds.

On August 30, 1996, the Authority issued \$20,745,000 in Water and Sewer System Revenue Bonds, Series 1996, which bear interest from 3.80% to 5.45%, to purchase an additional 5 MGD of water treatment capacity from Fairfax County Water Authority (FCWA). The Authority used \$18,147,575 of the proceeds to pay FCWA for the additional capacity. The remaining proceeds were used to make a deposit to the Debt Service Reserve Fund and pay the cost of issuance of the 1996 bonds.

On December 17, 1996, the Authority issued \$22,215,000 in Water and Sewer System Revenue Bonds, Refunding Series 1996, which bear interest from 4.3% to 5.3%, to advance refund \$19,945,000 of outstanding Water and Sewer System Revenue Bonds, Series 1992. Proceeds in the amount of \$20,542,218 were deposited into an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded bonds. The remaining proceeds were used to pay the cost of issuance of the 1996 Refunding Bonds. The refunded bonds are considered to be defeased and the liability has been removed from the balance sheet.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,056,100. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being amortized to operations through the year 2029. The Authority completed the advance refunding to reduce its total debt service payments over the next 33 years by \$1.9 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$817,627.

On March 8, 1994, the Authority issued \$18,310,000 in Water and Sewer System Revenue Bonds, Series 1994A, with an average interest rate of 5.88%. The Authority used \$15,472,187 of the proceeds to prepay a contractual obligation to the FCWA for the purchase of an additional 5 million gallons per day (MGD) of water capacity. On April 1, 1994, the contractual obligation to FCWA was paid in full. The remaining proceeds were used to make a deposit to the Debt Service Reserve Fund and pay the costs of issuance of the 1994A Bonds.

On June 30, 1992, the Authority issued \$64,620,000 in Water and Sewer System Revenue Bonds, Refunding Series 1992, with an average interest rate of 6.56% to advance refund \$35,450,000 of outstanding Water and Sewer System Revenue Bonds, Series 1989, with an average interest rate of 7.5% and to prepay a \$27,384,488 contractual obligation of the Authority to FCWA for the purchase of water supply, treatment and transmission entitlements with an average interest rate of 7.5%. The net proceeds of the issue were used to purchase

U.S. government securities that were placed in two irrevocable trusts for the purpose of generating resources for all future debt service payments of the refunded bonds and to prepay the contractual obligation with FCWA. On July 1, 1992, the contractual obligation with FCWA was paid in full. The refunded bonds are considered to be defeased and the liability has been removed from the balance sheet. At December 31, 2000, \$29,020,000 and \$46,470,000 respectively, of 1989 and 1992 bonds outstanding are considered defeased.

(1) Debt Service Requirements

The combined revenue bond debt service requirements to maturity for all issues are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2001	\$2,010,000	\$6,745,469	\$8,755,469
2002	2,230,000	6,949,231	9,179,231
2003	2,355,000	6,822,220	9,177,220
2004	2,355,000	6,685,833	9,170,833
2005	2,625,000	6,539,737	9,164,737
Thereafter	129,355,000	95,719,678	225,074,678
Total	\$141,060,000	\$129,462,168	\$270,522,168

(2) Pledged Funds

The payment of principal and interest on the Refunding Series 1992, the Series 1994A, the Series 1996, the Refunding Series 1996 and the Series 1998 bonds is secured by a security interest in and pledge of the "Net Revenues" derived from the ownership and operation of the system and all amounts held in the Project Account, the Bond Account and the Debt Service Reserve Account. "Net Revenues" of the system is defined as all revenues, receipts and other income derived by the Authority from the ownership or operation of the system, including availability fees and any investment earnings, after deducting operating expenses.

(3) Accounts Established In Accordance with Bond Covenants

The bond covenants set forth the establishment of accounts and the application of revenues to ensure proper operation and maintenance of the system and payment of debt service. The accounts established in accordance with the bond covenants are the same as those pledged to the payment of principal and interest on the bonds as described in (2) above.

(4) Revenue Covenants

The Authority is required to establish, fix, charge and collect rates, fees and other charges, for the use of, and for the services furnished by the system, and to revise the same from time to time, when necessary, as will always provide in each fiscal year:

- a. Net Revenues are not less than the sum of (i) 1.2 times Senior Debt Service for the fiscal year, (ii) Subordinate Debt Service for the fiscal year, and (iii) any amounts required to be deposited in the Repair and Replacement Account during the fiscal year, and
- b. Either (i) Net Revenues less 50% of Availability Fees are not less than Senior Debt Service for the fiscal year, or (ii) Net Revenues less 50% of Availability Fees plus 50% of Authority Reserves are not less than 1.5 times Senior Debt Service for the fiscal year.

“Replacement Reserve Requirement” means an amount to be determined by the Authority pursuant to the Master Indenture, but not less than \$500,000. In the event the Replacement Reserve Requirement is increased or funds on deposit in the Repair and Replacement Fund are less than the Replacement Reserve Requirement, the Master Indenture requires the Authority to increase the balance in the Repair and Replacement Account to the Replacement Reserve Requirement in approximately equal installments over a period not longer than sixty months.

B. Fairfax County Water Authority Agreement

On June 30, 1989, the Authority entered into a Water Service Agreement #2 with the FCWA to pay for the reservation of 10 MGD of water capacity which became available in February of 1993, when construction of the project was completed. On June 30, 1992, the Authority used a portion of the proceeds of the 1992 Water and Sewer Revenue Bonds to prepay this capital obligation. The prepayment was based on the estimated capital costs of constructing the water supply treatment and transmission facilities. In February, 1993, the Authority began amortizing the Purchased Capacity Rights over its useful life of 40 years.

In addition, the Water Service Agreement requires the Authority to make 480 equal monthly payments of \$2,760 with respect to additional future storage capacity.

On December 31, 1993, the Authority entered into a Second Amendment Agreement to Water Service Agreement #2 with FCWA for the purchase of an additional 5 MGD of water capacity with the option to acquire further capacity of 5 MGD prior to January 1, 2000, as well as future storage capacity at the Randolph Reservoir. The Agreement obligates the Authority to make 420 equal monthly payments of \$95,565 and \$1,695 for the additional 5 MGD of capacity and future storage capacity, respectively, commencing January 1, 1994. On April 1, 1994, the Authority used the proceeds of the Series 1994A Revenue Bonds to prepay the portion of this obligation pertaining to the additional 5 MGD of water capacity (see Note 6A). The Authority continues to make equal monthly payments of \$1,695 for the future storage capacity at the Randolph Reservoir.

On July 1, 1996, the Authority exercised its option to purchase additional storage capacity at the Randolph Reservoir for which it now makes equal monthly payments of \$1,911. In addition, the Authority used the proceeds of the Series 1996 Revenue Bonds to purchase the additional 5 MGD of water treatment capacity from FCWA.

These Agreements shall continue as long as FCWA's system remains in existence and operation.

C. Bonds Payable/Virginia Revolving Loan Fund

(1) Broad Run Farms

On October 18, 1994, the Authority entered into an agreement with the County of Loudoun to apply for a loan through the Virginia Revolving Loan Fund (VRLF) to finance the design and construction of a wastewater collection system for the Broad Run Farms community. In return, the County agreed to pay real property tax revenues collected from a tax increment financing district (TIFD) and a service district to the Authority sufficient to amortize the loan and such other costs of the system as mutually agreed. On January 27, 1995, the Authority issued \$2,723,811 in Water and Sewer System Revenue Bonds, Series 1995A through the VRLF for a term of 20 years at an interest rate of 3%. In total, the Authority requisitioned

\$2,120,065 of loan proceeds from the VRLF with the final disbursement being made in September 1996.

On December 2, 1994, the Authority and the County of Loudoun established payment terms and conditions relative to such Service Agreement. The County agreed to reimburse the Authority for any payments made by the Authority for Project Costs eligible for reimbursement from the VRLF loan. Upon completion and acceptance of the System, the Authority agreed to submit all requisitions for Eligible Project Costs to the VRLF for reimbursement from Loan Proceeds and promptly reimburse the County for all funds forwarded for Eligible Project Costs.

The Authority also agreed to provide an accounting of Project Costs incurred that are not eligible for reimbursement from loan proceeds to the County upon completion and acceptance of the system. The County agreed to reimburse the Authority for ineligible project costs on an annual basis at such time the Service District and TIFD generate a reserve balance in excess of annual debt service requirements.

Availability Fees Receivable (current and long-term) at December 31, 1999 and 1998 include the portion of availability fees due from the County and the remainder due from the Broad Run Farms property owners.

The remaining debt service requirements for the loan obtained through the VRLF for Broad Run Farms are as follows:

Fiscal Year	Principal	Interest	Total
2001	\$ 94,659	\$ 50,029	\$ 144,688
2002	97,520	47,168	144,688
2003	100,468	44,220	144,688
2004	103,504	41,184	144,688
2005	106,633	38,055	144,688
Thereafter	1,188,332	186,201	1,374,533
	\$1,691,116	\$406,857	\$2,097,973

(2) Village of Aldie

On September 20, 1995, the Authority entered into an agreement with the County of Loudoun to apply for a loan through the VRLF to finance the design and construction of a wastewater system for the Village of Aldie. The loan will fund approximately 43% of the project with the remaining funds being provided by the County. In exchange for the Authority becoming applicant and borrower for the loan, the County agreed to levy and collect real property taxes from the Aldie Sewer Service District in amounts sufficient to cover the Authority's loan payments. On September 25, 1996, the Authority issued \$537,000 in Water and Sewer System Revenue Bonds, Subordinate Series 1996A through the VRLF at zero percent interest for a term of 20 years. The final disbursement of loan proceeds in the amount of \$48,578 was made in May, 1998.

The remaining debt service requirements for the loan obtained through the VRLF for the Village of Aldie are as follows:

Fiscal Year	Principal
2001	\$ 27,476
2002	27,476
2003	27,476
2004	27,476
2005	27,476
Thereafter	288,504
	\$425,884

D. Deferred Compensation Benefits

The Authority offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees and permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

7. RETIREMENT PLAN

A. Virginia Retirement System

(1) Plan Description

The Authority contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit pension plan administered by the VRS. The Authority's payroll for employees covered by the VRS for the fiscal years ended December 31, 2000 and 1999 was \$4,519,855 and \$4,067,571, respectively. The total payroll for the Authority for the years ended December 31, 2000 and 1999 was \$4,586,087 and \$4,413,122, respectively.

All full time, salaried, permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service and at age 50 with 30 years of service for participating employees. Employees who retire with a reduced benefit at age 55 with at least five years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. An optional reduced retirement benefit is available to members of VRS as early as age 50 with 10 years of credited service. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950) as amended, assigns the authority to establish and amend benefit provisions to the state legislature.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P O Box 2500, Richmond, Va. 23218-2500.

(2) Funding Policy and Annual Pension Cost

Employees are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been

assumed by the Authority for its employees. If an employee leaves covered employment, the accumulated contributions plus interest earned may be refunded to the employee.

The Authority is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The Authority's contribution rate for the year ended December 31, 2000, was 11.03% of annual covered payroll. The required contributions for the Authority were determined as part of an actuarial valuation performed as of June 30, 1999, using the entry age normal actuarial cost method.

The actuarial assumptions include (a) a rate of return on investments of 8%, (b) projected salary increases of 4%-6.15% per year, and (c) cost-of-living adjustments of 3.5% per year. Both (a) and (b) include an inflation component of 4%. The actuarial value of the Authority's assets is equal to the modified market value of the assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 1999 was twenty-seven years.

(3) Trend Information

The table below summarizes the required three year trend information for the Authority:

Fiscal Year	Annual Pension Cost (APC)	Percentages of APC Contributed	Net Pension Obligation
2000	\$498,691	100%	-0-
1999	456,788	100%	-0-
1998	425,009	100%	-0-

(4) Required Supplementary Information

A schedule of funding progress for the Virginia Retirement System is provided below:

Schedule of Funding Progress for Loudoun County Sanitation Authority						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL As A Percentage of Covered Payroll
June 30, 1999	\$8,322,579	\$8,774,405	\$451,826	94.9%	\$4,065,173	11.1%
June 30, 1998	\$7,001,143	\$7,468,872	\$467,729	93.7%	\$3,927,992	11.9%
June 30, 1996	\$4,743,824	\$5,461,522	\$717,698	86.9%	\$3,596,096	20.0%
June 30, 1994	\$3,443,682	\$3,516,186	\$ 72,504	97.9%	\$2,990,770	2.4%

8. CONTRIBUTED CAPITAL

The Authority charges an availability fee for access to the water and wastewater system. The related costs incurred by the Authority include interest expense on the Authority's Water and Sewer System Revenue Bonds. The Authority credits a portion of availability fees to contributed capital and the remainder to non-operating revenue based on related costs. Additionally,

depreciation on fixed assets acquired by donations from developers in the form of lines and improvements as well as those funded by developer charges is closed to contributed capital. Changes in contributed capital are as follows:

	2000	1999
Balance, January 1	\$300,228,985	\$260,891,021
Contributions from developers	12,273,864	10,628,165
Contributions from governments	177,415	361,998
Availability fees charged to developers	35,404,336	32,949,119
Depreciation associated with assets acquired from developers and availability fees	(4,922,850)	(4,601,318)
Balance, December 31	\$343,161,750	\$300,228,985

9. RESERVED RETAINED EARNINGS

Retained earnings reserved in accordance with the bond covenants represent that portion of equity legally segregated for a specific future use to ensure that bondholders are properly protected. The following amounts represent reserved retained earnings at December 31, 2000 and 1999.

	2000	1999
Bond account for future debt service – 1992 Bond Issue	\$129,068	\$ 47,301
Bond account for future debt service – 1994 Bond Issue	26,652	148,549
Bond account for future debt service – 1996 Bond Issue	27,965	168,067
Bond account for future debt service – 1996A Bond Issue	2,934	26,348
Bond account for future debt service – 1998 Bond Issue	-0-	23,912
Bond account for future debt service – 1999 Bond Issue	5,085	20,696
Bond account for future debt service – 2000 Bond Issue	445	-0-
Debt service reserve account - 1992 Bond Issue	2,149,782	5,266,490
Debt service reserve account - 1994 Bond Issue	1,226,893	1,142,717
Debt service reserve account - 1996 Bond Issue	1,414,592	1,319,118
Debt Service reserve account – 1998 Bond Issue	2,245,900	2,211,716
Debt Service Reserve Account - 2000 Bond Issue	3,238,468	-0-
Construction Account – 2000 Bond Issue	22,553,137	-0-
Cost of Issuance Account – 1999 Bond Issue		-0-
Cost of Issuance Account – 2000 Bond Issue	156,425	-0-
Total Reserve Retained Earnings	\$33,177,346	\$10,374,914

10. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Authority carries commercial insurance. Health benefits are provided to employees through a contract with a commercial carrier. There have been no significant reductions in insurance coverage from the prior years and settled claims have not exceeded insurance coverage in any of the past three years.

11. COMMITMENTS

A. Landfill Water Service Area

On September 15, 1993, the County of Loudoun requested that the Authority design and construct a water system to serve the area designated by the Board of Supervisors around the County landfill. The County agrees to pay the Authority the total project cost up to \$5,395,934, including the water treatment component of availability fees for each structure designated in the agreement to be connected to the Water System ("Designated Connections"). As of December 31, 2000, the County has reimbursed the Authority \$4,635,261 for project costs and \$276,437 for availability fees.

B. Fairfax County Water Authority

On September 9, 1999, the Authority entered into Water Service Agreement No. 4 with the Fairfax County Water Authority regarding the Authority's allocated cost for the replacement of the Occoquan and Lorton Water Treatment Plants with a new treatment plant ("Griffith Plant") which will be constructed in southern Fairfax County, Virginia. The projected cost to the Authority for this replacement is \$4.1 million. Beginning in January 2000, the authority began making equal monthly installments based on its share of 2.38% of annual estimated non-growth project expenses. As of December 31, 2000, the Authority has paid \$650,000 for the Griffith Plant. Construction of the Griffith Plant is expected to be substantially completed by December 31, 2003.

C. Broad Run Water Reclamation Facility

In 1998, the Authority initiated the Broad Run Water Reclamation Facility (WRF) Preliminary Design Study to identify the best overall solution to meet the area's increasing need for wastewater treatment while considering and protecting the interests of the community and the environment. The study was completed in 2000 at a cost of approximately \$975,000. After extensive evaluation, the Authority identified membrane bioreactor (MBR) technology as the most promising treatment process for the future WRF and began pilot testing of the process in 2000. Completion of the pilot program is expected by August 2001, and it is anticipated that the Broad Run WRF will be substantially complete by December 31, 2008. The total estimated cost of the Broad Run WRF Phase I (12 MGD) is \$175 million. As of December 31, 2000, the Authority has paid approximately \$1.7 million in expenses associated with the plant.

D. District of Columbia Water and Wastewater Authority (DCWASA)

In 1998, the authority, DCWASA and the District of Columbia executed an Agreement whereby the DCWASA agreed to provide wastewater treatment capacity at the Blue Plains Wastewater Treatment Plant, as well as corresponding transmission entitlements in the Potomac Interceptor System. The Authority pays DCWASA for capital expenses based on the authority's allocated capacity of 13.8 MGD. Operation and maintenance costs are based on actual flows. For the year ended December 31, 2000, the Authority paid the DCWASA approximately \$3.6 million for on-going capital improvements at Blue Plains.

**Combining and Individual Fund
and Account Group Statements**

County of Loudoun, Virginia

General Fund

The General Fund is the primary operating fund of the County and is used to account for the majority of current operating expenditures of the general government. Financing is also provided for the operations of other funds, which include the County's school system.

The major sources of revenue include: property taxes, other local taxes, licenses, permits, fees and other miscellaneous charges. Revenues and expenditures under a variety of State and Federal grant programs are also accounted for in this Fund.

County of Loudoun, Virginia		Statement A-1
Comparative Balance Sheet - General Fund		
June 30, 2001 and 2000		
	2001	2000
ASSETS		
Cash and temporary investments	\$ 93,171,098	\$ 81,410,050
Cash and investments with fiscal agents and trustees	63,229	2,500
Property taxes receivable	8,116,638	6,886,939
Accounts receivable	5,874,548	3,485,470
Due from other governments	8,737,326	3,272,421
Due from other Funds	5,745,685	973,574
Advances to employees	26,471	17,432
Inventory of supplies	0	145
Prepaid items	84,130	77,160
Noncurrent notes and loans receivable	3,740,761	3,682,499
Allowance for noncurrent notes and loans receivable	(1,575,987)	(826,554)
TOTAL ASSETS	\$ 123,983,899	\$ 98,981,636
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 3,685,741	\$ 2,618,479
Retainages payable	5,914	4,611
Accrued payroll	2,292,239	2,051,597
Other liabilities	79,397	78,267
Deferred revenue	6,491,417	4,392,120
Collections held in trust	3,793	3,793
Prepaid revenues	2,856,413	2,512,208
Advanced funding for contingent liabilities	1,330,328	1,330,328
Total liabilities	16,745,242	12,991,403
Fund Equity:		
Fund balance:		
Reserved for:		
Prepaid items	84,130	77,160
Encumbrances	7,490,447	6,075,382
Noncurrent notes and loans receivable	2,164,774	2,855,945
Unreserved:		
Designated for:		
Fiscal cash liquidity purposes	45,529,699	40,279,316
Future capital projects	323,455	323,455
Undesignated	51,646,152	36,378,975
Total fund balance	107,238,657	85,990,233
Total equity and other credits	107,238,657	85,990,233
TOTAL LIABILITIES AND FUND BALANCE	\$ 123,983,899	\$ 98,981,636

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001		2000	
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From local sources:				
General property taxes:				
Real property taxes	\$ 183,174,103	\$ 195,214,325	\$ 12,040,222	\$ 162,905,825
Real and personal public service corporation property taxes	4,969,719	5,626,796	657,077	4,720,761
Personal property taxes	50,053,000	50,968,010	915,010	44,772,903
Machinery and tools taxes	1,130,000	1,191,690	61,690	1,189,675
Penalties and interest	2,196,278	2,232,761	36,483	2,101,656
Total general property taxes	<u>241,523,100</u>	<u>255,233,582</u>	<u>13,710,482</u>	<u>215,690,820</u>
Other local taxes:				
Local sales and use taxes	30,000,000	31,046,671	1,046,671	23,427,191
Consumer utility taxes	5,404,019	7,416,386	2,012,367	7,430,155
Business license taxes	10,622,300	12,341,422	1,719,122	10,247,086
Franchise license taxes	1,268,528	744,409	(524,119)	1,178,801
Motor vehicle licenses	3,075,000	3,211,030	136,030	2,912,580
Bank franchise taxes	230,000	184,229	(45,771)	171,263
Taxes on recordation and wills	2,724,000	4,022,994	1,298,994	3,292,870
Hotel and motel room taxes	1,300,000	1,531,345	231,345	1,180,275
Total other local taxes	<u>54,623,847</u>	<u>60,498,486</u>	<u>5,874,639</u>	<u>49,840,221</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	41,100	51,997	10,897	39,147
Permits and other licenses	13,436,465	14,467,688	1,031,223	13,369,071
Total permits, privilege fees and regulatory licenses	<u>13,477,565</u>	<u>14,519,685</u>	<u>1,042,120</u>	<u>13,408,218</u>
Fines and forfeitures:				
Fines and forfeitures	1,546,834	1,546,259	(575)	1,474,405
Total fines and forfeitures	<u>1,546,834</u>	<u>1,546,259</u>	<u>(575)</u>	<u>1,474,405</u>
Revenue from use of money and property:				
Revenue from use of money	3,835,500	8,991,909	5,156,409	6,593,697
Revenue from use of property	299,459	343,147	43,688	269,137
Total revenue from use of money and property	<u>4,134,959</u>	<u>9,335,056</u>	<u>5,200,097</u>	<u>6,862,834</u>
From local sources:				
Charges for services:				
Court costs	1,129,640	1,373,346	243,706	1,085,748
Commonwealth's Attorney	0	3,187	3,187	3,078
Law enforcement and traffic control	24,540	28,441	3,901	29,092
Other protection	64,500	50,940	(13,560)	43,198
Maintenance of highways, bridges and sidewalks	2,200	1,435	(765)	1,753
Sanitation and waste removal	470,000	650,740	180,740	511,398
Health	22,822	41,041	18,219	24,873
Mental health and mental retardation	567,088	598,174	31,086	698,054
Welfare/social services	0	0	0	166,627
Parks and recreation	4,873,762	4,750,738	(123,024)	3,481,584
Library	18,900	15,731	(3,169)	17,307
Planning and community development	874,959	875,370	411	808,032
Financial services	50,900	32,544	(18,356)	56,586
Total charges for services	<u>8,099,311</u>	<u>8,421,687</u>	<u>322,376</u>	<u>6,927,330</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
Miscellaneous revenue:				
Miscellaneous revenue	\$ 43,065	\$ 137,473	\$ 94,408	\$ 79,223
Gifts and Donations	204,591	184,312	(20,279)	83,769
Total miscellaneous revenue	<u>247,656</u>	<u>321,785</u>	<u>74,129</u>	<u>162,992</u>
Recovered costs:				
Recovered costs	4,693,271	4,659,997	(33,274)	4,497,930
Total recovered costs	<u>4,693,271</u>	<u>4,659,997</u>	<u>(33,274)</u>	<u>4,497,930</u>
Total from local sources	<u>328,346,543</u>	<u>354,536,537</u>	<u>26,189,994</u>	<u>298,864,750</u>
From the Commonwealth:				
Non-categorical aid:				
ABC profits	153,933	191,814	37,881	202,039
Wine taxes	99,090	123,185	24,095	99,244
Motor vehicle carrier's taxes	5,000	3,067	(1,933)	5,887
Mobile home titling taxes	10,000	11,917	1,917	8,810
Taxes on deeds	1,471,490	1,714,853	243,363	1,428,650
Indirect costs	200,000	0	(200,000)	0
Motor vehicle sales and use taxes	6,100,000	6,691,741	591,741	5,262,010
Reimbursement of personal property tax	18,000,000	27,004,569	9,004,569	14,330,198
Total non-categorical aid	<u>26,039,513</u>	<u>35,741,146</u>	<u>9,701,633</u>	<u>21,336,838</u>
From the Commonwealth:				
Shared expenses:				
Commonwealth's attorney	530,861	566,647	35,786	542,859
Sheriff	5,912,857	5,872,101	(40,756)	5,520,712
Commissioner of the Revenue	264,054	253,984	(10,070)	260,981
Treasurer	299,720	348,556	48,836	318,952
Medical Examiner	1,300	480	(820)	1,530
Registrar	52,987	0	(52,987)	49,498
Electoral Boards	10,402	0	(10,402)	11,490
Clerk of the Circuit Court	637,304	628,173	(9,131)	589,565
Total shared expenses	<u>7,709,485</u>	<u>7,669,941</u>	<u>(39,544)</u>	<u>7,295,587</u>
From the Commonwealth:				
Categorical aid:				
Welfare/social services:				
Local services to elderly	28,117	10,759	(17,358)	15,759
Nutritional services	17,176	19,002	1,826	17,176
General relief assistance	75,000	82,131	7,131	81,417
Foster care assistance	104,747	110,068	5,321	72,751
General administration	321,002	0	(321,002)	0
Supplemental to the aged, blind and disabled	140,989	147,708	6,719	158,065
Employment services	292,891	0	(292,891)	93,559
CPS response system	0	0	0	10,000
Day care	324,415	0	(324,415)	0
Child Care	16,000	344,016	328,016	208,712
Food Stamp Program	0	155,088	155,088	157,558
Family Support Payments	13,614	33,277	19,663	41,225
Low Income Home Energy Assistance	54,877	48,628	(6,249)	52,224
Discretionary Grants	11,135	11,043	(92)	32,500
Child Welfare Services	0	5,619	5,619	6,837
Adoption Assistance	55,926	54,906	(1,020)	55,174
Child health insurance program	9,609	6,534	(3,075)	5,392

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
Categorical aid:				
Welfare/social services:				
Juvenile accountability incentive	\$ 0	\$ 0	\$ 0	\$ 989
Block Grant	119,221	133,402	14,181	350,566
Detention Study	15,000	15,000	0	0
Intensive Services Program	116,045	0	(116,045)	0
Coordinated Transportation	10,000	10,000	0	0
Medicaid Assistance	1,500	91,525	90,025	85,383
View Transitional	0	131,203	131,203	18,581
Direct social services	81,725	0	(81,725)	0
Other	13,289	33,318	20,029	30,933
Total welfare/social services	<u>1,822,278</u>	<u>1,443,227</u>	<u>(379,051)</u>	<u>1,494,801</u>
Education:				
Lottery proceeds for education	4,005,724	3,374,504	(631,220)	3,083,661
Total education	<u>4,005,724</u>	<u>3,374,504</u>	<u>(631,220)</u>	<u>3,083,661</u>
Parks and recreation:				
Parks and recreation	5,813	5,813	0	5,000
Total parks and recreation	<u>5,813</u>	<u>5,813</u>	<u>0</u>	<u>5,000</u>
Other categorical aid:				
Administration of justice services	457,438	374,890	(82,548)	350,606
Public libraries	298,645	298,645	0	252,739
Litter control	41,294	39,366	(1,928)	29,994
Community residential services	33,484	31,512	(1,972)	26,379
Indoor plumbing/rehabilitation	75,321	0	(75,321)	0
Juvenile delinquency prevention	57,296	58,418	1,122	55,775
Juvenile confinement	367,746	414,185	46,439	706,335
JDC Block Grant	657,929	762,418	104,489	703,754
Alcohol abuse services	394,515	377,966	(16,549)	373,679
Local administration services	160,098	161,562	1,464	154,659
Mental health services	607,095	600,621	(6,474)	589,775
Mental retardation services	211,958	232,965	21,007	221,153
Residential-SMI	58,439	58,439	0	58,439
MR residential services	5,400	5,400	0	4,950
MR family support	80,074	80,074	0	18,856
SA residential services	139,126	10,822	(128,304)	10,822
NGRI	2,000	2,000	0	5,000
FEMA sponsored emergency management	0	2,125	2,125	0
DCJS one time special	0	0	0	1,395
Residential services	139,161	163,799	24,638	139,161
MR waiting list	70,008	70,009	1	64,174
Fire programs	94,136	11,537	(82,599)	88,377
School resource officer	13,444	13,444	0	34,528
EMS motor vehicle registration	61,935	0	(61,935)	62,037
Ground transportation safety	0	133,963	133,963	178,772
Homeless intervention programs	161,882	120,656	(41,226)	145,453
Care coordination program	50,000	50,000	0	50,000
Community crime prevention services	0	0	0	2,625
State formula assistance	223,505	223,505	0	169,680
Mt. Zion - DHR	39,500	21,567	(17,933)	0
Community based services	0	28,882	28,882	10,548
Children's mental health	35,000	83,046	48,046	25,000
Performance outcome measures system	40,000	48,125	8,125	40,000
Discharge assistance project	202,100	273,850	71,750	51,827

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Early intervention	0	3,125	3,125	3,125
Forest Land Management	0	0	0	3,885
Operation Match	100,000	50,950	(49,050)	0
Share Shelter Support	48,316	23,316	(25,000)	22,084
DCJS - Victim witness	\$ 0	\$ 0	\$ 0	\$ 594
Total other categorical aid	4,926,845	4,831,182	(95,663)	4,656,180
Total categorical aid	10,760,660	9,654,726	(1,105,934)	9,239,642
Total from the Commonwealth	44,509,658	53,065,813	8,556,155	37,872,067
From the Federal government:				
Payments in lieu of taxes:				
Federally owned entitlement lands	900	1,012	112	926
Total payments in lieu of taxes	900	1,012	112	926
Non-categorical aid:				
Job training partnership act	83,118	65,545	(17,573)	20,976
Total non-categorical aid	83,118	65,545	(17,573)	20,976
Categorical aid:				
Welfare/social services:				
Programs for the aging-Title III-A&B	40,312	44,165	3,853	42,328
Programs for the aging-Title III-C	43,526	48,002	4,476	46,898
Programs for the aging-Title III-D	0	0	0	16
Programs for the aging-Title IV	576	578	2	632
Programs for the aging-Title III-B	6,115	4,606	(1,509)	6,912
Programs for the aging-Title III-F	4,436	5,327	891	4,436
Title II-JJDP	0	0	0	34,563
Foster care-Title IV-E	0	382,502	382,502	459,741
Low income home energy assistance	54,876	52,314	(2,562)	55,800
Refugee assistance	5,000	5,865	865	4,248
Title IV	200,000	251,355	51,355	217,738
Job opportunities and basic skills	340	0	(340)	126,323
Child health insurance program	9,609	12,684	3,075	10,467
Juvenile accountability incentive	14,662	15,368	706	10,850
Block Grant	88,178	362,262	274,084	0
National school lunch program	1,500	0	(1,500)	1,198
Retired seniors volunteer program	25,015	26,016	1,001	26,115
Job training partnership act	8,308	0	(8,308)	8,551
Senior community service employment	12,462	8,438	(4,024)	9,577
Food Stamp Program	0	423,636	423,636	501,293
Family Support Payments	487,276	179,355	(307,921)	168,291
Child Care Assistance	662,526	649,781	(12,745)	565,812
Discretionary Grants	47,126	45,279	(1,847)	55,004
Child Care & Development	405,319	506,371	101,052	330,294
Child Welfare Services	43,764	28,095	(15,669)	34,184
Child care for homeless children	0	0	0	2,923
Adoption Assistance	43,540	90,481	46,941	88,665
Block Grant	530,904	155,374	(375,530)	856,544
Independent Living	3,600	3,170	(430)	5,669
Medicaid Assistance	3,000	264,432	261,432	234,898
Food Stamp Program	0	9,459	9,459	0
Emergency Assistance	5,941	4,092	(1,849)	3,351
View Transitional	0	141,803	141,803	18,581
US Against Child Abus	28,179	28,179	0	0
Other eligibility programs	383,357	0	(383,357)	0
Total welfare/social services	3,159,447	3,748,989	589,542	3,931,902

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From the Federal government:				
Other categorical aid:				
Path	\$ 18,158	\$ 28,122	\$ 9,964	\$ 12,328
Edward Byrne memorial	68,128	68,128	0	253,433
Housing-Section 8	386,000	313,951	(72,049)	274,626
Housing-rental subsidy	65,525	65,329	(196)	29,555
Housing-homeless	104,401	104,400	(1)	104,400
Housing-HUD	145,163	77,748	(67,415)	104,185
Food distribution services	49,197	63,182	13,985	40,919
Housing-assistance	2,500	0	(2,500)	375
Alcohol abuse services	88,362	154,964	66,602	114,425
Drug abuse services	153,406	205,376	51,970	171,404
Early intervention-substance abuse	161,846	105,139	(56,707)	76,047
RHY basic center program	2,400	2,400	0	8,322
Highway safety	116,875	120,156	3,281	134,799
Bullet proof vests	0	0	0	6,000
Promotion of the humanities	1,000	0	(1,000)	0
Child care block	1,500	0	(1,500)	0
Consumer product safety	19,512	14,989	(4,523)	6,435
Library Services	6,225	4,100	(2,125)	0
HOPWA	150,955	43,088	(107,867)	44,260
Cops more	45,415	45,415	0	747
ISTEA	421,818	427,129	5,311	89,817
Fema emergency management	20,000	12,841	(7,159)	18,582
SARPOS	19,709	19,709	0	19,709
DCJS-victim witness	7,500	0	(7,500)	7,830
SAPT tobacco prevention	10,000	10,000	0	0
LLE block	22,869	22,870	1	41,815
HUD voucher conversion	0	29,574	29,574	10,698
SA SSI Treatment FBG-Alcohol	3,904	0	(3,904)	0
SA SSI Treatment FBG-Drug	3,905	0	(3,905)	0
MH psychiatric staff	4,532	4,532	0	0
YS/OJJDD	10,781	10,781	0	21,562
FBG / POMS	14,375	9,375	(5,000)	0
Title II-Weekenders	66,531	55,565	(10,966)	6,352
Disaster Assistance	0	0	0	12,753
Title V-YAS	65,000	65,000	0	51,404
Share Shelter Support	15,693	15,693	0	13,140
V-stop	29,900	33,697	3,797	23,276
Total other categorical aid	2,303,085	2,133,253	(169,832)	1,699,198
Total categorical aid	5,462,532	5,882,242	419,710	5,631,100
Total from the Federal government	5,546,550	5,948,799	402,249	5,653,002
Non-revenue receipts:				
Non-revenue receipts	1,525	387,289	385,764	20,220
Total non-revenue receipts	1,525	387,289	385,764	20,220
Total revenues	378,404,276	413,938,438	35,534,162	342,410,039
Expenditures:				
General government administration:				
Legislative:				
Boards, commissions and committees	855,278	637,508	217,770	590,280
County administrator	1,068,935	993,575	75,360	498,252
General Services	2,300	2,335	(35)	1,700
Total legislative	1,926,513	1,633,418	293,095	1,090,232

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Expenditures:				
General government administration:				
General and financial administration:				
Boards, commissions and committees	\$ 109,212	\$ 22,374	\$ 86,838	\$ 27,125
County administrator	976,456	974,977	1,479	823,993
Management and budget services	4,212,267	3,485,202	727,065	2,687,907
County attorney	1,683,797	1,313,731	370,066	1,058,368
Financial services	3,906,309	3,614,160	292,149	3,125,907
Information Technology	13,526,992	10,421,787	3,105,205	10,226,758
General Services	2,270,240	1,547,467	722,773	1,173,127
Treasurer	2,674,264	2,335,690	338,574	2,062,967
Commissioner of the revenue	1,477,448	1,385,999	91,449	1,246,837
Public Information & Volunteer Services	365,787	288,187	77,600	127,302
Nondepartmental	(3,088,717)	143,909	(3,232,626)	210,018
Total general and financial administration	<u>28,114,055</u>	<u>25,533,483</u>	<u>2,580,572</u>	<u>22,770,309</u>
Elections administration:				
Boards, commissions and committees	201,179	190,995	10,184	140,365
General registrar	225,566	215,603	9,963	170,160
General Services	74,351	74,873	(522)	70,182
Total elections administration	<u>501,096</u>	<u>481,471</u>	<u>19,625</u>	<u>380,707</u>
Total general government administration	<u>30,541,664</u>	<u>27,648,372</u>	<u>2,893,292</u>	<u>24,241,248</u>
Judicial administration:				
Courts:				
Clerk of the circuit court	1,781,255	1,735,397	45,858	1,457,408
Courts (circuit and district)	782,933	590,587	192,346	507,845
Sheriff	999,145	1,002,708	(3,563)	815,445
General Services	115,599	107,906	7,693	102,315
Total courts	<u>3,678,932</u>	<u>3,436,598</u>	<u>242,334</u>	<u>2,883,013</u>
Commonwealth's attorney:				
Commonwealth's attorney	2,026,726	1,822,967	203,759	1,533,344
Total Commonwealth's attorney	<u>2,026,726</u>	<u>1,822,967</u>	<u>203,759</u>	<u>1,533,344</u>
Total judicial administration	<u>5,705,658</u>	<u>5,259,565</u>	<u>446,093</u>	<u>4,416,357</u>
Public Safety:				
Law enforcement and traffic control:				
Sheriff	16,213,409	15,302,872	910,537	14,042,462
Regional Organizations and contributions	516,632	503,169	13,463	485,975
General Services	658,098	648,476	9,622	604,525
Total law enforcement and traffic control	<u>17,388,139</u>	<u>16,454,517</u>	<u>933,622</u>	<u>15,132,962</u>
Fire and rescue services:				
Boards, Commissions & Committees	6,381	1,756	4,625	1,798
Fire, rescue and emergency services	12,365,145	11,950,759	414,386	9,163,935
General Services	310,750	208,321	102,429	119,514
Total fire and rescue services	<u>12,682,276</u>	<u>12,160,836</u>	<u>521,440</u>	<u>9,285,247</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Expenditures:				
Public Safety:				
Corrections and detention:				
Sheriff	\$ 5,132,430	\$ 5,046,788	\$ 85,642	\$ 4,634,149
Family court service unit	571,598	438,020	133,578	307,147
Community diversion services	704,194	557,951	146,243	461,020
Parks and recreation	200,220	203,363	(3,143)	157,337
Social services	1,866,301	1,674,610	191,691	1,468,934
General Services	128,980	122,793	6,187	93,679
Total corrections and detention	<u>8,603,723</u>	<u>8,043,525</u>	<u>560,198</u>	<u>7,122,266</u>
Inspections:				
Building & development	5,288,008	4,611,194	676,814	3,586,512
Total inspections	<u>5,288,008</u>	<u>4,611,194</u>	<u>676,814</u>	<u>3,586,512</u>
Other protection:				
Sheriff	2,500	800	1,700	2,300
Animal control	57,800	77,022	(19,222)	1,060,704
General Services	1,438,190	1,347,979	90,211	50,768
Total other protection	<u>1,498,490</u>	<u>1,425,801</u>	<u>72,689</u>	<u>1,113,772</u>
Total public safety	<u>45,460,636</u>	<u>42,695,873</u>	<u>2,764,763</u>	<u>36,240,759</u>
Public works:				
Maintenance of highways, bridges and sidewalks:				
General Services	1,173,495	941,815	231,680	795,239
Regional Organizations and Contributions	0	128,201	(128,201)	178,772
Total maintenance of highways, streets, bridges and sidewalks	<u>1,173,495</u>	<u>1,070,016</u>	<u>103,479</u>	<u>974,011</u>
Sanitation and waste removal:				
County Administrator	0	4	(4)	14,616
General Services	22,975	30,064	(7,089)	21,053
Office of Technical Operations	1,787,558	1,634,121	153,437	1,343,015
Total sanitation and waste removal	<u>1,810,533</u>	<u>1,664,189</u>	<u>146,344</u>	<u>1,378,684</u>
Maintenance of general buildings and grounds:				
General Services	7,039,220	5,041,355	1,997,865	3,576,356
Total maintenance of general buildings and grounds	<u>7,039,220</u>	<u>5,041,355</u>	<u>1,997,865</u>	<u>3,576,356</u>
Total public works	<u>10,023,248</u>	<u>7,775,560</u>	<u>2,247,688</u>	<u>5,929,051</u>
Health and Welfare:				
Health:				
Boards, commissions and committees	12,050	11,492	558	7,493
Regional organizations	176,444	176,444	0	155,467
Health services	2,472,395	2,135,117	337,278	1,536,723
Total health	<u>2,660,889</u>	<u>2,323,053</u>	<u>337,836</u>	<u>1,699,683</u>
Health and Welfare:				
Mental health and mental retardation:				
Boards, commissions and committees	9,753	9,726	27	4,107
Mental health and mental retardation	15,402,960	13,189,244	2,213,716	10,467,981
General Services	339,065	239,989	99,076	220,099
Total mental health and mental retardation	<u>15,751,778</u>	<u>13,438,959</u>	<u>2,312,819</u>	<u>10,692,187</u>
Property tax relief for the elderly/handicapped:				
Treasurer	500,000	764,598	(264,598)	660,566
Total property tax relief-elderly/handicapped	<u>500,000</u>	<u>764,598</u>	<u>(264,598)</u>	<u>660,566</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Expenditures:				
Welfare/social services:				
Boards, commissions and committees	\$ 5,248	\$ 4,696	\$ 552	\$ 3,155
Regional organizations and contributions	331,790	283,916	47,874	268,912
Social services	12,331,921	10,601,736	1,730,185	10,181,876
Housing services	2,125,569	2,555,308	(429,739)	1,220,889
Parks and recreation	2,577,609	2,371,139	206,470	2,119,416
Mental health and mental retardation	0	(43,000)	43,000	113,751
General Services	249,140	233,680	15,460	286,476
Total welfare/social services	<u>17,621,277</u>	<u>16,007,475</u>	<u>1,613,802</u>	<u>14,194,475</u>
Total health and welfare	<u>36,533,944</u>	<u>32,534,085</u>	<u>3,999,859</u>	<u>27,246,911</u>
Education:				
Community colleges:				
Regional organizations	127,649	127,649	0	101,786
Total community colleges	<u>127,649</u>	<u>127,649</u>	<u>0</u>	<u>101,786</u>
Total education	<u>127,649</u>	<u>127,649</u>	<u>0</u>	<u>101,786</u>
Parks, recreation and cultural:				
Parks and recreation:				
Regional organizations	580,059	580,059	0	407,961
Information Technology	290,700	105,241	185,459	0
Parks and recreation	13,979,478	12,529,708	1,449,770	9,327,719
General Services	321,631	298,080	23,551	243,942
Total parks and recreation	<u>15,171,868</u>	<u>13,513,088</u>	<u>1,658,780</u>	<u>9,979,622</u>
Cultural enrichment:				
Regional organizations and contributions	168,040	171,750	(3,710)	7,041
Parks and recreation	45,229	40,256	4,973	6,352
Total cultural enrichment	<u>213,269</u>	<u>212,006</u>	<u>1,263</u>	<u>13,393</u>
Parks, recreation and cultural:				
Library:				
Boards, commissions and committees	1,602	1,440	162	515
County Administrator	0	0	0	3,082
Library services	6,198,095	6,066,655	131,440	5,039,780
General Services	148,850	154,140	(5,290)	127,205
Total library	<u>6,348,547</u>	<u>6,222,235</u>	<u>126,312</u>	<u>5,170,582</u>
Total parks, recreation and cultural	<u>21,733,684</u>	<u>19,947,329</u>	<u>1,786,355</u>	<u>15,163,597</u>
Community development:				
Planning and community development:				
Boards, commissions and committees	199,385	178,495	20,890	189,025
County Administrator	576,600	61,365	515,235	19,789
Regional organizations	360,185	360,185	0	239,978
Office of mapping and geographic information	1,550,489	1,183,072	367,417	927,742
Planning, zoning and community development	3,918,547	3,783,844	134,703	2,901,950
Economic Development	1,395,678	1,232,074	163,604	966,818
General Services	440,256	341,136	99,120	199,460
Building & Development	6,676,064	5,584,400	1,091,664	3,969,378
Total planning and community development	<u>15,117,204</u>	<u>12,724,571</u>	<u>2,392,633</u>	<u>9,414,140</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
Years Ended June 30, 2001 and 2000**

	2001		2000	
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Expenditures:				
Environmental management:				
Boards, commissions, and committees	\$ 179,303	\$ 442,785	\$ (263,482)	\$ 422,590
Office of Solid Waste Management	752,217	621,731	130,486	657,898
Total environmental management	<u>931,520</u>	<u>1,064,516</u>	<u>(132,996)</u>	<u>1,080,488</u>
Community development:				
Cooperative extension program:				
Public Information & Volunteer Services	194,938	188,252	6,686	115,853
Extension services	350,570	324,562	26,008	271,069
Total cooperative extension program	<u>545,508</u>	<u>512,814</u>	<u>32,694</u>	<u>386,922</u>
Total community development	<u>16,594,232</u>	<u>14,301,901</u>	<u>2,292,331</u>	<u>10,881,550</u>
Total expenditures	<u>166,720,715</u>	<u>150,290,334</u>	<u>16,430,381</u>	<u>124,221,259</u>
Excess of revenues over expenditures	<u>211,683,561</u>	<u>263,648,104</u>	<u>51,964,543</u>	<u>218,188,780</u>
Other financing sources (uses):				
Transfers-in	1,390,338	1,748,457	358,119	987,276
Transfers-out	(35,233,008)	(61,754,076)	(26,521,068)	(55,057,478)
Operating transfers in-component unit	0	629,165	629,165	0
Operating transfers out-component unit	(208,266,861)	(183,023,226)	25,243,635	(151,519,418)
Lease/purchase financing	0	0	0	949,157
Total other financing sources (uses)	<u>(242,109,531)</u>	<u>(242,399,680)</u>	<u>(290,149)</u>	<u>(204,640,463)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(30,425,970)</u>	<u>21,248,424</u>	<u>51,674,394</u>	<u>13,548,317</u>
Fund balances at beginning of year	<u>85,990,233</u>	<u>85,990,233</u>	<u>0</u>	<u>72,441,916</u>
Fund balances at end of year	<u>\$ 55,564,263</u>	<u>\$ 107,238,657</u>	<u>\$ 51,674,394</u>	<u>\$ 85,990,233</u>

County of Loudoun, Virginia

Special Revenue Funds

Legal Resources Center Fund - This Fund is used to account for the operations of the Law Library. Financing is provided through writ assessments and other contributions.

Route 28 Special Improvements Fund - This Fund is used to account for the proceeds from the Route 28 Transportation Taxing District and are legally restricted to expenditures for transportation in that district.

Broad Run Farms Sewer Improvements Fund - This Fund is used to account for the proceeds from the Broad Run Farms Sewer Taxing District and are legally restricted to expenditures for sewers in that district.

Comprehensive Services Act Fund - This Fund is used to account for the general operations of the County's Comprehensive Services For At-Risk Youth And Families. Financing is provided primarily by transfers from the General Fund and from State grants.

Hotel and Motel Room Tax Fund - This Fund is used to account for 3% of the 5% Transient Occupancy Tax collected from lodging facilities in the County. These funds are used to promote tourism in the County.

County of Loudoun, Virginia

Special Revenue Funds

Federally Forfeited Property Fund - This Fund is used to account for the proceeds from confiscated property and are restricted to use for law enforcement purposes.

Aldie Sewer Service District Fund - This Fund is used to account for the proceeds from the Aldie Sewer Service Taxing District and are legally restricted to expenditures for sewers in that district.

Community Development Fund - This Fund is used to account for the operations of the Community Development Block Grant program. Financing is provided by the Federal grant to be used only for community development purposes.

County-Wide Sewer Service District Fund - This Fund is used to account for the proceeds from the Virginia Resources Authority and are legally restricted to expenditures for small water facility projects in the County.

Purchase of Development Rights Fund - This Fund is used to account for the County-managed Purchase of Development Rights program. These funds are used to enter agreements with landowners to purchase development rights of their property.

County of Loudoun, Virginia

Special Revenue Funds

Emergency 911 Fund - This Fund is used to account for the operations of the County's Emergency Communications Center. Financing is provided by local fees and charges, State funding and transfers from the General Fund.

Rental Assistance Fund - This Fund is used to account for proceeds received from the U.S. Department of Housing and Urban Development (HUD) so the County can act as direct administrator for the Section 8 Rental Assistance Program.

Hamilton Sewer Service District Fund - This Fund is used to account for the proceeds from the Hamilton Sewer Service Taxing District and are legally restricted to expenditures for sewers in that district.

County of Loudoun, Virginia					Statement B-1 Page 1 of 2									
Combining Balance Sheet-Special Revenue Funds June 30, 2001 With Comparative Totals for June 30, 2000														
	Legal Resources Center	Route 28 Special Improvements	Broad Run Farms Sewer Improvements	Comprehensive Services Act	Hotel and Motel Room Tax	Federally Forfeited Property	Aldie Sewer Service District	Community Development	County-Wide Sewer Service District	Purchase of Development Rights	Emergency 911	Rental Assistance Program	Hamilton Sewer Service District	
ASSETS														
Cash and temporary investments	\$ 16,167	\$ 1,548,373	\$ 133	\$ 0	\$ 1,835,027	\$ 273,430	\$ 24,176	\$ 15,539	\$ 722,383	\$ 4,000,000	\$ 0	\$ 504,327	\$ 78,236	
Property taxes receivable	0	99,673	6,773	0	0	0	6,073	0	0	0	0	0	4,140	
Accounts receivable	0	0	0	0	316,405	0	0	0	0	0	0	0	0	
Due from other governments	0	0	0	1,494,613	0	0	0	0	0	0	0	0	0	
Noncurrent notes and loans receivable	0	0	0	0	0	0	0	49,178	132,538	0	0	0	152,090	
Allowance for noncurrent notes and loans receivable	0	0	0	0	0	0	0	(49,178)	(132,538)	0	0	0	(152,090)	
TOTAL ASSETS	\$ 16,167	\$ 1,648,046	\$ 6,906	\$ 1,494,613	\$ 2,151,432	\$ 273,430	\$ 30,249	\$ 15,539	\$ 722,383	\$ 4,000,000	\$ 0	\$ 504,327	\$ 82,376	
LIABILITIES AND FUND EQUITY														
Liabilities:														
Accounts payable	\$ 0	\$ 1,545,442	\$ 0	\$ 742,132	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 92	\$ 12,489	
Due to other Funds	0	0	0	625,132	0	0	0	10,928	0	0	747,787	0	0	
Accrued payroll	624	0	0	0	0	0	0	0	0	0	46,603	0	0	
Deferred revenue	0	99,673	6,773	0	0	0	6,073	0	722,383	0	0	504,235	4,140	
Prepaid Revenue	0	2,931	133	0	0	0	0	0	0	0	0	0	0	
Advanced funding for contingent liabilities	0	0	0	0	0	11,669	0	17,600	0	0	0	0	0	
Total liabilities	624	1,648,046	6,906	1,367,264	0	11,669	6,073	28,528	722,383	0	794,390	504,327	16,629	
Fund Equity:														
Fund balance:														
Reserved for:														
Encumbrances	0	0	0	0	0	4,975	0	0	4,874	0	0	0	0	
Unreserved:														
Designated for:														
Fiscal cash liquidity purposes	0	0	0	0	0	0	0	0	0	0	0	0	0	
Undesignated	15,543	0	0	127,349	2,151,432	256,786	24,176	(12,989)	(4,874)	4,000,000	(794,390)	0	65,747	
Total fund balance	15,543	0	0	127,349	2,151,432	261,761	24,176	(12,989)	0	4,000,000	(794,390)	0	65,747	
Total equity and other credits	15,543	0	0	127,349	2,151,432	261,761	24,176	(12,989)	0	4,000,000	(794,390)	0	65,747	
TOTAL LIABILITIES AND FUND BALANCE	\$ 16,167	\$ 1,648,046	\$ 6,906	\$ 1,494,613	\$ 2,151,432	\$ 273,430	\$ 30,249	\$ 15,539	\$ 722,383	\$ 4,000,000	\$ 0	\$ 504,327	\$ 82,376	

County of Loudoun, Virginia

Statement B-1

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Combining Balance Sheet-Special Revenue Funds
June 30, 2001
With Comparative Totals for June 30, 2000

		<u>Totals-Primary Government</u>	
		2001	2000
ASSETS			
Cash and temporary investments	\$	9,017,791	\$ 4,708,376
Property taxes receivable		116,659	119,211
Accounts receivable		316,405	191,729
Due from other governments		1,494,613	853,112
Noncurrent notes and loans receivable		333,806	219,830
Allowance for noncurrent notes and loans receivable		(333,806)	(219,830)
TOTAL ASSETS	\$	<u>10,945,468</u>	\$ <u>5,872,428</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$	2,300,155	\$ 1,560,465
Due to other Funds		1,383,847	10,928
Accrued payroll		47,227	355
Deferred revenue		1,343,277	971,730
Prepaid Revenue		3,064	3,733
Advanced funding for contingent liabilities		29,269	26,205
Total liabilities		<u>5,106,839</u>	<u>2,573,416</u>
Fund Equity:			
Fund balance:			
Reserved for:			
Encumbrances		9,849	89,007
Unreserved:			
Designated for:			
Fiscal cash liquidity purposes		0	224,377
Undesignated		5,828,780	2,985,628
Total fund balance		<u>5,838,629</u>	<u>3,299,012</u>
Total equity and other credits		<u>5,838,629</u>	<u>3,299,012</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u>10,945,468</u>	\$ <u>5,872,428</u>

County of Loudoun, Virginia						Statement B-2 Page 1 of 2						
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Special Revenue Funds Year Ended June 30, 2001												
	Legal Resources Center	Route 28 Special Improvements	Broad Run Farms Sewer Improvements	Hotel and Motel Room Tax	Federally Forfeited Property	Comprehensive Services Act	Aldie Sewer Service District	Community Development	County-Wide Sewer Service District	Hamilton Sewer Service District	Community Development Authority	Purchase of Development Rights
Revenues:												
General property taxes	\$ 0	\$ 4,274,115	\$ 412,456	\$ 0	\$ 0	\$ 0	\$ 27,564	\$ 0	\$ 0	\$ 62,506	\$ 1,006,319	\$ 0
Other local taxes	0	0	0	2,252,245	0	0	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	2,744,179	0	0	130,136	0	0	0
Charges for services	27,897	0	0	0	0	0	0	0	0	0	0	0
Use of money and property	0	0	0	0	16,268	0	0	0	63,410	0	0	0
Recovered costs	0	0	0	0	40,284	396,093	0	0	822	37	0	0
Miscellaneous revenue	0	0	0	0	0	0	0	3,750	0	10,839	0	0
Total revenues	27,897	4,274,115	412,456	2,252,245	56,552	3,140,272	27,564	3,750	194,368	73,382	1,006,319	0
Expenditures:												
Current												
Judicial administration	28,552	0	0	0	0	0	0	0	0	0	0	0
Public safety	0	0	0	0	85,394	0	0	0	0	0	0	0
Public works	0	4,274,115	144,687	0	0	0	27,476	0	0	0	0	0
Health and welfare	0	0	0	0	0	5,810,240	0	0	88,829	292,361	0	0
Parks, recreation and cultural development	0	0	0	1,179,090	0	0	0	0	0	0	0	0
Planning and community development	0	0	0	97,108	0	0	0	0	0	0	1,006,319	0
Debt service:												
Principal retirement	0	0	0	0	0	0	0	0	87,796	0	0	0
Interest and service charges	0	0	0	0	0	0	0	0	17,743	0	0	0
Total expenditures	28,552	4,274,115	144,687	1,276,198	85,394	5,810,240	27,476	0	194,368	292,361	1,006,319	0
Excess (deficiency) of revenues over (under) expenditures	(655)	0	267,769	976,047	(28,842)	(2,669,968)	88	3,750	0	(218,979)	0	0
Other financing sources (uses):												
Transfers-in	0	0	0	0	0	1,597,269	0	0	0	88,000	0	4,000,000
Transfers-out	0	0	(287,928)	(375,669)	(16,875)	0	0	0	0	0	0	0
Total other financing sources (uses)	0	0	(287,928)	(375,669)	(16,875)	1,597,269	0	0	0	88,000	0	4,000,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(655)	0	(20,159)	600,378	(45,717)	(1,072,699)	88	3,750	0	(130,979)	0	4,000,000
Fund balances at beginning of year	16,198	0	20,159	1,551,054	307,478	1,200,048	24,088	(16,739)	0	196,726	0	0
Fund (deficit) balances at end of year	\$ 15,543	\$ 0	\$ 0	\$ 2,151,432	\$ 261,761	\$ 127,349	\$ 24,176	\$ (12,989)	\$ 0	\$ 65,747	\$ 0	\$ 4,000,000

	Emergency 911 Fees	Totals-Primary Government 2001	2000
Revenues:			
General property taxes	\$ 0	\$ 5,782,960	\$ 3,612,154
Other local taxes	1,524,364	3,776,609	1,709,717
Intergovernmental	219,813	3,094,128	2,230,808
Charges for services	0	27,897	26,850
Use of money and property	0	79,678	111,897
Recovered costs	135,501	572,737	283,134
Miscellaneous revenue	0	14,589	78,000
Total revenues	<u>1,879,678</u>	<u>13,348,598</u>	<u>8,052,560</u>
Expenditures:			
Current			
Judicial administration	0	28,552	22,428
Public safety	2,643,969	2,729,363	38,931
Public works	0	4,446,278	3,449,386
Health and welfare	0	6,191,430	4,553,002
Parks, recreation and cultural development	0	1,179,090	1,176,407
Planning and community development	0	1,103,427	32,000
Debt service:			
Principal retirement	0	87,796	15,000
Interest and service charges	0	17,743	32,522
Total expenditures	<u>2,643,969</u>	<u>15,783,679</u>	<u>9,319,676</u>
Excess (deficiency) of revenues over (under) expenditures	(764,291)	(2,435,081)	(1,267,116)
Other financing sources (uses):			
Transfers-in	0	5,685,269	1,962,972
Transfers-out	(30,099)	(710,571)	(1,099,356)
Total other financing sources (uses)	<u>(30,099)</u>	<u>4,974,698</u>	<u>863,616</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(794,390)	2,539,617	(403,500)
Fund balances at beginning of year	<u>0</u>	<u>3,299,012</u>	<u>3,702,512</u>
Fund (deficit) balances at end of year	<u>\$ (794,390)</u>	<u>\$ 5,838,629</u>	<u>\$ 3,299,012</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Legal Resources Center Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From local sources:				
Charges for services:				
Law library fees	\$ 26,000	\$ 27,897	\$ 1,897	\$ 26,850
Emergency service fees	0	0	0	0
Total charges for services	<u>26,000</u>	<u>27,897</u>	<u>1,897</u>	<u>26,850</u>
Total from local sources	<u>26,000</u>	<u>27,897</u>	<u>1,897</u>	<u>26,850</u>
Total revenues	<u>26,000</u>	<u>27,897</u>	<u>1,897</u>	<u>26,850</u>
Expenditures:				
Judicial administration:				
Clerk of the Circuit Court	<u>26,000</u>	<u>28,552</u>	<u>(2,552)</u>	<u>22,428</u>
Total judicial administration	<u>26,000</u>	<u>28,552</u>	<u>(2,552)</u>	<u>22,428</u>
Total expenditures	<u>26,000</u>	<u>28,552</u>	<u>(2,552)</u>	<u>22,428</u>
Excess (deficiency) of revenues over expenditures	0	(655)	(655)	4,422
Fund balances at beginning of year	<u>16,198</u>	<u>16,198</u>	0	<u>11,776</u>
Fund balances at end of year	<u>\$ 16,198</u>	<u>\$ 15,543</u>	<u>\$ (655)</u>	<u>\$ 16,198</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Route 28 Special Improvements Fund
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
From local sources:				
General property taxes:				
Real property taxes	\$ 3,539,200	\$ 4,257,946	\$ 718,746	\$ 3,207,062
Penalties and interest	0	16,169	16,169	12,828
Total general property taxes	<u>3,539,200</u>	<u>4,274,115</u>	<u>734,915</u>	<u>3,219,890</u>
Total from local sources	<u>3,539,200</u>	<u>4,274,115</u>	<u>734,915</u>	<u>3,219,890</u>
Total revenues	<u>3,539,200</u>	<u>4,274,115</u>	<u>734,915</u>	<u>3,219,890</u>
Expenditures:				
Public works:				
Maintenance of highways, streets, bridges and sidewalks	<u>3,539,200</u>	<u>4,274,115</u>	<u>(734,915)</u>	<u>3,277,222</u>
Total public works	<u>3,539,200</u>	<u>4,274,115</u>	<u>(734,915)</u>	<u>3,277,222</u>
Total expenditures	<u>3,539,200</u>	<u>4,274,115</u>	<u>(734,915)</u>	<u>3,277,222</u>
Deficiency of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>(57,332)</u>
Other financing uses:				
Transfers-in	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,332</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Broad Run Farms Sewer Improvement Fund
Years Ended June 30, 2001 and 2000**

	2001		2000	
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From local sources:				
General property taxes:				
Real property taxes	\$ 144,688	\$ 410,496	\$ 265,808	\$ 306,431
Penalties and interest	0	1,960	1,960	1,757
Total general property taxes	<u>144,688</u>	<u>412,456</u>	<u>267,768</u>	<u>308,188</u>
Total from local sources	<u>144,688</u>	<u>412,456</u>	<u>267,768</u>	<u>308,188</u>
Total revenues	<u>144,688</u>	<u>412,456</u>	<u>267,768</u>	<u>308,188</u>
Expenditures:				
Public works:				
Sanitation and waste removal	144,688	144,687	1	144,688
Total public works	<u>144,688</u>	<u>144,687</u>	<u>1</u>	<u>144,688</u>
Total expenditures	<u>144,688</u>	<u>144,687</u>	<u>1</u>	<u>144,688</u>
Excess of revenues over expenditures	0	267,769	267,769	163,500
Other financing uses:				
Transfers-out	<u>0</u>	<u>(287,928)</u>	<u>(287,928)</u>	<u>(569,615)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	0	(20,159)	(20,159)	(406,115)
Fund balance at beginning of year	<u>20,159</u>	<u>20,159</u>	<u>0</u>	<u>426,274</u>
Fund balance at end of year	<u>\$ 20,159</u>	<u>\$ 0</u>	<u>\$ (20,159)</u>	<u>\$ 20,159</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Hotel and Motel Room Tax Fund
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
From local sources:				
Hotel and motel room taxes:				
Hotel and motel room taxes	\$ 1,950,000	\$ 2,252,245	\$ 302,245	\$ 1,709,717
Total hotel and motel room taxes	<u>1,950,000</u>	<u>2,252,245</u>	<u>302,245</u>	<u>1,709,717</u>
Revenue from use of money and property:				
Revenue from use of money	<u>0</u>	<u>0</u>	<u>0</u>	<u>(794)</u>
Total revenue from use of money & property	<u>0</u>	<u>0</u>	<u>0</u>	<u>(794)</u>
Miscellaneous revenue:				
Gifts & donations from private sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,000</u>
Total miscellaneous revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,000</u>
Total from local sources	<u>1,950,000</u>	<u>2,252,245</u>	<u>302,245</u>	<u>1,784,923</u>
Total revenues	<u>1,950,000</u>	<u>2,252,245</u>	<u>302,245</u>	<u>1,784,923</u>
Expenditures:				
Cultural enrichment:				
Regional organizations and contributions	<u>1,209,090</u>	<u>1,179,090</u>	<u>30,000</u>	<u>1,176,407</u>
Total cultural enrichment	<u>1,209,090</u>	<u>1,179,090</u>	<u>30,000</u>	<u>1,176,407</u>
Planning and community development:				
Non departmental	<u>97,108</u>	<u>97,108</u>	<u>0</u>	<u>32,000</u>
Total planning and community development	<u>97,108</u>	<u>97,108</u>	<u>0</u>	<u>32,000</u>
Total expenditures	<u>1,306,198</u>	<u>1,276,198</u>	<u>30,000</u>	<u>1,208,407</u>
Excess of revenues over expenditures	<u>643,802</u>	<u>976,047</u>	<u>332,245</u>	<u>576,516</u>
Other financing uses:				
Transfers-out	<u>(382,079)</u>	<u>(375,669)</u>	<u>6,410</u>	<u>(417,741)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>261,723</u>	<u>600,378</u>	<u>338,655</u>	<u>158,775</u>
Fund balance at beginning of year	<u>1,551,054</u>	<u>1,551,054</u>	<u>0</u>	<u>1,392,279</u>
Fund balance at end of year	<u>\$ 1,812,777</u>	<u>\$ 2,151,432</u>	<u>\$ 338,655</u>	<u>\$ 1,551,054</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Federally Forfeited Property Fund
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
From local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 0	\$ 16,268	\$ 16,268	\$ 18,530
Revenue from use of property	0	0	0	0
Total revenue from use of money & property	<u>0</u>	<u>16,268</u>	<u>16,268</u>	<u>18,530</u>
Recovered costs:				
Recovered costs	0	40,284	40,284	251,377
Total recovered costs	<u>0</u>	<u>40,284</u>	<u>40,284</u>	<u>251,377</u>
Total from local sources	<u>0</u>	<u>56,552</u>	<u>56,552</u>	<u>269,907</u>
Total revenues	<u>0</u>	<u>56,552</u>	<u>56,552</u>	<u>269,907</u>
Expenditures:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	69,872	84,014	(14,142)	36,285
Commonwealth's Attorney	0	1,380	(1,380)	2,646
Total law enforcement and traffic control	<u>69,872</u>	<u>85,394</u>	<u>(15,522)</u>	<u>38,931</u>
Total public safety	<u>69,872</u>	<u>85,394</u>	<u>(15,522)</u>	<u>38,931</u>
Total expenditures	<u>69,872</u>	<u>85,394</u>	<u>(15,522)</u>	<u>38,931</u>
Excess (deficiency) of revenues over expenditures	<u>(69,872)</u>	<u>(28,842)</u>	<u>41,030</u>	<u>230,976</u>
Other financing uses:				
Transfers-out	0	(16,875)	(16,875)	(112,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(69,872)</u>	<u>(45,717)</u>	<u>24,155</u>	<u>118,976</u>
Fund balance at beginning of year	<u>307,478</u>	<u>307,478</u>	<u>0</u>	<u>188,502</u>
Fund balance at end of year	<u>\$ 237,606</u>	<u>\$ 261,761</u>	<u>\$ 24,155</u>	<u>\$ 307,478</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Comprehensive Services Act Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From the Commonwealth:				
Categorical aid:				
Welfare/social services:				
Comprehensive services act	\$ 2,867,680	\$ 2,744,179	\$ (123,501)	\$ 2,220,975
Total revenue from the Commonwealth	2,867,680	2,744,179	(123,501)	2,220,975
From local sources:				
Recovered costs:				
Recovered costs	350,000	396,093	46,093	22,795
Total recovered costs	350,000	396,093	46,093	22,795
Total from local sources	350,000	396,093	46,093	22,795
Total revenues	3,217,680	3,140,272	(77,408)	2,243,770
Expenditures:				
Welfare/social services:				
Welfare/social services:				
Nondepartmental	5,927,095	5,810,240	116,855	4,292,098
Total expenditures from welfare/social services	5,927,095	5,810,240	116,855	4,292,098
Total expenditures	5,927,095	5,810,240	116,855	4,292,098
Excess (deficiency) of revenues over expenditures	(2,709,415)	(2,669,968)	39,447	(2,048,328)
Other financing sources (uses):				
Transfers-in	1,597,269	1,597,269	0	1,905,640
Total other financing sources (uses)	1,597,269	1,597,269	0	1,905,640
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,112,146)	(1,072,699)	39,447	(142,688)
Fund balance at beginning of year	1,200,048	1,200,048	0	1,342,736
Fund balance at end of year	\$ 87,902	\$ 127,349	\$ 39,447	\$ 1,200,048

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Aldie Sewer Service District Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From local sources:				
General property taxes:				
Real property taxes	\$ 27,477	\$ 26,444	\$ (1,033)	\$ 23,197
Penalties and interest	0	1,120	1,120	940
Total general property taxes	<u>27,477</u>	<u>27,564</u>	<u>87</u>	<u>24,137</u>
Total from local sources	<u>27,477</u>	<u>27,564</u>	<u>87</u>	<u>24,137</u>
Total revenues	<u>27,477</u>	<u>27,564</u>	<u>87</u>	<u>24,137</u>
Expenditures:				
Public works:				
Maintenance of highways, streets, bridges and sidewalks	27,477	27,476	1	0
Sanitation and waste removal	0	0	0	27,476
Total public works	<u>27,477</u>	<u>27,476</u>	<u>1</u>	<u>27,476</u>
Total expenditures	<u>27,477</u>	<u>27,476</u>	<u>1</u>	<u>27,476</u>
Deficiency of revenues over expenditures	<u>0</u>	<u>88</u>	<u>88</u>	<u>(3,339)</u>
Deficiency of revenues and other sources over expenditures and other uses	0	88	88	(3,339)
Fund balance at beginning of year	<u>24,088</u>	<u>24,088</u>	<u>0</u>	<u>27,427</u>
Fund balance at end of year	<u>\$ 24,088</u>	<u>\$ 24,176</u>	<u>\$ 88</u>	<u>\$ 24,088</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Community Development Fund
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
Miscellaneous revenue:				
Repayment of loans - principal	0	3,750	3,750	2,000
Total miscellaneous revenue	<u>0</u>	<u>3,750</u>	<u>3,750</u>	<u>2,000</u>
Total revenues	<u>0</u>	<u>3,750</u>	<u>3,750</u>	<u>2,000</u>
Expenditures:				
Health and Welfare:				
Housing services	0	0	0	6,100
Total health and welfare	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,100</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,100</u>
Deficiency of revenues over expenditures	<u>0</u>	<u>3,750</u>	<u>3,750</u>	<u>(4,100)</u>
Fund balance at beginning of year	<u>(16,739)</u>	<u>(16,739)</u>	<u>0</u>	<u>(12,639)</u>
Fund balance at end of year	\$ <u><u>(16,739)</u></u>	\$ <u><u>(12,989)</u></u>	\$ <u><u>3,750</u></u>	\$ <u><u>(16,739)</u></u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - County-wide Sewer Service District
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
From the Commonwealth:				
Categorical aid:				
DEQ Virginia revolving loan fund	\$ 194,368	\$ 130,136	\$ (64,232)	\$ 9,833
Total revenue from the Commonwealth	194,368	130,136	(64,232)	9,833
From local sources:				
Revenue from use of money and property:				
Revenue from use of money	0	63,410	63,410	94,161
Total revenue from use of money & property	0	63,410	63,410	94,161
Recovered costs:				
Recovered costs	0	822	822	8,962
Total recovered costs	0	822	822	8,962
Total from local sources	0	64,232	64,232	103,123
Total revenues	194,368	194,368	0	112,956
Expenditures:				
Welfare/social services:				
Housing services	88,829	88,829	0	65,434
Total expenditures from welfare/social services	88,829	88,829	0	65,434
Debt Service:				
Principal retirement	87,796	87,796	0	15,000
Interest and service charges	17,743	17,743	0	32,522
Total expenditures from debt service	105,539	105,539	0	47,522
Total expenditures	194,368	194,368	0	112,956
Excess (deficiency) of revenues over expenditures	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	\$ 0	\$ 0	\$ 0	\$ 0

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Hamilton Area Sewer Service District
Years Ended June 30, 2001 and 2000**

	2001		2000	
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From local sources:				
General property taxes:				
Real property taxes	\$ 56,463	\$ 61,372	\$ 4,909	\$ 58,629
Penalties and interest	0	1,134	1,134	1,310
Total general property taxes	<u>56,463</u>	<u>62,506</u>	<u>6,043</u>	<u>59,939</u>
Recovered costs:				
Recovered costs	0	37	37	0
Total recovered costs	<u>0</u>	<u>37</u>	<u>37</u>	<u>0</u>
Total from local sources	<u>56,463</u>	<u>62,543</u>	<u>6,080</u>	<u>59,939</u>
Miscellaneous revenue:				
Repayment of loans - principal	0	10,839	10,839	0
Total miscellaneous revenue	<u>0</u>	<u>10,839</u>	<u>10,839</u>	<u>0</u>
Total revenues	<u>56,463</u>	<u>73,382</u>	<u>16,919</u>	<u>59,939</u>
Expenditures:				
Environmental management:				
Non departmental	429,208	292,361	136,847	189,370
Total environmental management	<u>429,208</u>	<u>292,361</u>	<u>136,847</u>	<u>189,370</u>
Total expenditures	<u>429,208</u>	<u>292,361</u>	<u>136,847</u>	<u>189,370</u>
Deficiency of revenues over expenditures	(372,745)	(218,979)	153,766	(129,431)
Other financing uses:				
Transfers-in	88,000	88,000	0	0
Excess (deficiency) of revenues and other sources over expenditures and other uses	(284,745)	(130,979)	153,766	(129,431)
Fund balance at beginning of year	196,726	196,726	0	326,157
Fund balance at end of year	\$ <u>(88,019)</u>	\$ <u>65,747</u>	\$ <u>153,766</u>	\$ <u>196,726</u>

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Community Development Authority
Years Ended June 30, 2001 and 2000**

	2001			2000
	Budget	Actual	Variance- favorable (unfavorable)	Actual
Revenues:				
From local sources:				
General property taxes:				
Real property taxes	\$ 0	\$ 1,006,319	\$ 1,006,319	\$ 0
Total general property taxes	0	1,006,319	1,006,319	0
Total from local sources	0	1,006,319	1,006,319	0
Total revenues	0	1,006,319	1,006,319	0
Expenditures:				
Planning and community development:				
Non departmental	0	1,006,319	(1,006,319)	0
Total planning & community development	0	1,006,319	(1,006,319)	0
Total expenditures	0	1,006,319	(1,006,319)	0
Excess of revenues over expenditures	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	\$ 0	\$ 0	\$ 0	\$ 0

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Purchase of Development Rights
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Expenditures:				
Planning and community development:				
Non departmental	4,000,000	0	4,000,000	0
Total planning & community development	4,000,000	0	4,000,000	0
Total expenditures	4,000,000	0	4,000,000	0
Excess of revenues over expenditures	(4,000,000)	0	4,000,000	0
Other financing uses:				
Transfers-in	4,000,000	4,000,000	0	0
Excess (deficiency) of revenues and other sources over expenditures and other uses	0	4,000,000	4,000,000	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Emergency 911 Fees Fund
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
From local sources:				
Emergency telephone service taxes:				
Emergency telephone service taxes	\$ 1,425,978	\$ 1,524,364	\$ 98,386	\$ 0
Total emergency telephone service taxes	<u>1,425,978</u>	<u>1,524,364</u>	<u>98,386</u>	<u>0</u>
Recovered costs:				
Recovered costs	<u>0</u>	<u>135,501</u>	<u>135,501</u>	<u>0</u>
Total recovered costs	<u>0</u>	<u>135,501</u>	<u>135,501</u>	<u>0</u>
Total from local sources	<u>1,425,978</u>	<u>1,659,865</u>	<u>233,887</u>	<u>0</u>
From the Commonwealth:				
State shared expenses:				
Sheriff / 157 / 30405	<u>252,252</u>	<u>219,813</u>	<u>(32,439)</u>	<u>0</u>
Total revenue from the Commonwealth	<u>252,252</u>	<u>219,813</u>	<u>(32,439)</u>	<u>0</u>
Total revenues	<u>1,678,230</u>	<u>1,879,678</u>	<u>201,448</u>	<u>0</u>
Expenditures:				
Public safety:				
Sheriff	1,214,557	1,003,592	210,965	0
Fire, rescue and emergency services	1,095,490	1,059,302	36,188	0
Information technology	618,131	581,075	37,056	0
Total public safety	<u>2,928,178</u>	<u>2,643,969</u>	<u>284,209</u>	<u>0</u>
Total expenditures	<u>2,928,178</u>	<u>2,643,969</u>	<u>284,209</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>(1,249,948)</u>	<u>(764,291)</u>	<u>485,657</u>	<u>0</u>
Other financing uses:				
Operating transfers out-primary government	<u>0</u>	<u>(30,099)</u>	<u>(30,099)</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(1,249,948)</u>	<u>(794,390)</u>	<u>455,558</u>	<u>0</u>
Fund balance at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u>\$ (1,249,948)</u>	<u>\$ (794,390)</u>	<u>\$ 455,558</u>	<u>\$ 0</u>

County of Loudoun, Virginia

Capital Funds

Capital Projects Fund - This Fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the general government. Financing is provided primarily by bond issues, State and Federal grants and transfers from the General Fund.

Capital Asset Replacement Fund - This Fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment and other long-lived improvements for the general government. Financing is provided primarily by transfers from the General Fund.

County of Loudoun, Virginia

Combining Balance Sheet-Capital Funds
June 30, 2001
With Comparative Totals for June 30, 2000

			Totals-Primary Government	
	Capital Projects	Capital Asset Replacement	2001	2000
ASSETS				
Cash and temporary investments	\$ 38,816,114	\$ 4,703,683	\$ 43,519,797	\$ 45,923,348
Cash and investments with fiscal agents and trustees	9,218,816	3,750	9,222,566	13,216,852
Accounts receivable	20,710	0	20,710	140
Due from other governments	0	0	0	1,222,280
TOTAL ASSETS	\$ 48,055,640	\$ 4,707,433	\$ 52,763,073	\$ 60,362,620
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 899,064	\$ 29,999	\$ 929,063	\$ 1,700,049
Retainages payable	1,115,331	24,679	1,140,010	679,802
Accrued payroll	0	0	0	823
Total liabilities	2,014,395	54,678	2,069,073	2,380,674
Fund Equity:				
Fund balance:				
Reserved for:				
Encumbrances	10,222,637	520,337	10,742,974	25,734,423
Unreserved:				
Designated for:				
Appropriations	35,818,608	3,983,770	39,802,378	56,010,473
Undesignated	0	148,648	148,648	(23,762,950)
Total fund balance	46,041,245	4,652,755	50,694,000	57,981,946
Total equity and other credits	46,041,245	4,652,755	50,694,000	57,981,946
TOTAL LIABILITIES AND FUND BALANCE	\$ 48,055,640	\$ 4,707,433	\$ 52,763,073	\$ 60,362,620

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund
Balances-Capital Funds
Year Ended June 30, 2001**

	Capital Projects	Capital Asset Replacement	Totals-Primary Government	
			2001	2000
Revenues:				
Other local taxes	\$ 0	\$ 84,462	\$ 84,462	\$ 83,021
Intergovernmental	340,340	0	340,340	1,201,936
Charges for services	2,650	420	3,070	1,835
Use of money and property	1,250	0	1,250	4,044
Miscellaneous	21,493	0	21,493	20,900
Recovered costs	116,498	72,349	188,847	224,764
Total revenues	<u>482,231</u>	<u>157,231</u>	<u>639,462</u>	<u>1,536,500</u>
Expenditures:				
Current				
Capital outlay	36,200,418	907,269	37,107,687	13,895,604
Total expenditures	<u>36,200,418</u>	<u>907,269</u>	<u>37,107,687</u>	<u>13,895,604</u>
Excess (deficiency) of revenues over (under) expenditures	(35,718,187)	(750,038)	(36,468,225)	(12,359,104)
Other financing sources (uses):				
Transfers-in	26,136,710	3,085,000	29,221,710	37,884,516
Transfers-out	(41,431)	0	(41,431)	0
Total other financing sources (uses)	<u>26,095,279</u>	<u>3,085,000</u>	<u>29,180,279</u>	<u>37,884,516</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(9,622,908)	2,334,962	(7,287,946)	25,525,412
Fund balances at beginning of year	55,664,153	2,317,793	57,981,946	32,456,534
Fund balances at end of year	<u>\$ 46,041,245</u>	<u>\$ 4,652,755</u>	<u>\$ 50,694,000</u>	<u>\$ 57,981,946</u>

County of Loudoun, Virginia

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual-Capital Projects Fund
From Inception and for the Year Ended June 30, 2001**

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Other local taxes	\$ 1,002,535	\$ 1,002,535	\$ 0	\$ 1,002,535
Intergovernmental	5,274,965	1,215,625	340,340	1,555,965
Charges for services	14,562	13,722	2,650	16,372
Use of money and property	842,439	918,240	1,250	919,490
Miscellaneous	6,166,209	3,210,113	21,493	3,231,606
Recovered costs	1,444,383	1,348,016	116,498	1,464,514
Non-revenue receipts	255,000	255,000	0	255,000
Total revenues	<u>15,000,093</u>	<u>7,963,251</u>	<u>482,231</u>	<u>8,445,482</u>
Expenditures:				
Personnel services	76,809	69,774	7,004	76,778
Other materials and services	27,818,342	13,051,159	3,670,815	16,721,974
Capital outlay	35,405,947	12,416,710	9,346,586	21,763,296
Construction	110,284,083	42,638,089	23,176,013	65,814,102
Total expenditures	<u>173,585,181</u>	<u>68,175,732</u>	<u>36,200,418</u>	<u>104,376,150</u>
Excess (deficiency) of revenues over (under) expenditures	(158,585,088)	(60,212,481)	(35,718,187)	(95,930,668)
Other financing sources (uses):				
Transfers-in	97,845,736	75,803,415	22,266,710	98,070,125
Transfers-out	(3,335,807)	(2,829,011)	(41,431)	(2,870,442)
Lease/purchase financing	21,497,643	21,497,643	0	21,497,643
Proceeds from sale of bonds	43,166,376	21,404,587	3,870,000	25,274,587
Total other financing sources (uses)	<u>159,173,948</u>	<u>115,876,634</u>	<u>26,095,279</u>	<u>141,971,913</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>588,860</u>	\$ <u>55,664,153</u>	(9,622,908)	46,041,245
Fund balances at beginning of year			<u>55,664,153</u>	<u>0</u>
Fund balances at end of year			\$ <u>46,041,245</u>	\$ <u>46,041,245</u>

County of Loudoun, Virginia

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual-Capital Asset Replacement Fund
From Inception and for the Year Ended June 30, 2001**

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Other local taxes	\$ 371,851	\$ 287,389	\$ 84,462	\$ 371,851
Permits and licenses	33,132	33,132	0	33,132
Charges for services	1,919	2,229	420	2,649
Use of money and property	146,461	146,000	0	146,000
Miscellaneous	36,011	36,011	0	36,011
Recovered costs	898,725	883,423	72,349	955,772
Total revenues	<u>1,488,099</u>	<u>1,388,184</u>	<u>157,231</u>	<u>1,545,415</u>
Expenditures:				
Personnel services	201	201	0	201
Other materials and services	1,811,017	1,137,808	488,622	1,626,430
Capital outlay	267,179	38,054	53,996	92,050
Construction	5,919,032	1,288,467	364,651	1,653,118
Total expenditures	<u>7,997,429</u>	<u>2,464,530</u>	<u>907,269</u>	<u>3,371,799</u>
Excess (deficiency) of revenues over (under) expenditures	(6,509,330)	(1,076,346)	(750,038)	(1,826,384)
Other financing sources (uses):				
Transfers-in	6,509,330	3,394,139	3,085,000	6,479,139
Total other financing sources (uses)	<u>6,509,330</u>	<u>3,394,139</u>	<u>3,085,000</u>	<u>6,479,139</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>0</u>	\$ <u>2,317,793</u>	2,334,962	4,652,755
Fund balances at beginning of year			<u>2,317,793</u>	<u>0</u>
Fund balances at end of year			\$ <u>4,652,755</u>	\$ <u>4,652,755</u>

County of Loudoun, Virginia

Debt Service Funds

Debt Service Fund - This Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. Financing is provided primarily by transfers from the General Fund.

County of Loudoun, Virginia

Comparative Balance Sheet - Debt Service Fund
June 30, 2001 and 2000

	2001	2000
ASSETS		
Cash and temporary investments	\$ 7,020,588	\$ 2,258,861
Cash and investments with fiscal agents and trustees	16,941,384	8,303,974
Prepaid items	26,279	26,279
TOTAL ASSETS	\$ 23,988,251	\$ 10,589,114
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 3,959	\$ 3,350
Due to other Funds	2,919,869	0
Other liabilities	1,432,745	599,601
Total liabilities	4,356,573	602,951
Fund Equity:		
Fund balance:		
Reserved for:		
Prepaid items	26,279	26,279
Unreserved:		
Designated for:		
Fiscal cash liquidity purposes	2,500,000	156,318
Future debt service	17,105,399	9,803,566
Total fund balance	19,631,678	9,986,163
Total equity and other credits	19,631,678	9,986,163
TOTAL LIABILITIES AND FUND BALANCE	\$ 23,988,251	\$ 10,589,114

County of Loudoun, Virginia

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Debt Service Fund
Years Ended June 30, 2001 and 2000**

	2001		Variance- favorable (unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
From local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 1,500,000	\$ 2,591,081	\$ 1,091,081	\$ 1,560,280
Total revenue from use of money and property	1,500,000	2,591,081	1,091,081	1,560,280
Total from local sources	1,500,000	2,591,081	1,091,081	1,560,280
Total revenues	<u>1,500,000</u>	<u>2,591,081</u>	<u>1,091,081</u>	<u>1,560,280</u>
Expenditures:				
Debt service:				
Principal retirement	21,313,787	21,207,453	106,334	16,107,683
Interest and fiscal charges	16,545,571	16,807,940	(262,369)	14,845,338
Total debt service	37,859,358	38,015,393	(156,035)	30,953,021
Total expenditures	<u>37,859,358</u>	<u>38,015,393</u>	<u>(156,035)</u>	<u>30,953,021</u>
Excess of revenues over expenditures	<u>(36,359,358)</u>	<u>(35,424,312)</u>	<u>935,046</u>	<u>(29,392,741)</u>
Other financing sources (uses):				
Transfers-in	31,616,711	31,616,711	0	31,773,185
Transfers-out	(850,000)	(3,870,000)	(3,020,000)	(14,545,000)
Operating transfers in-component unit	0	13,453,116	13,453,116	10,205
Operating transfers out-component unit	(59,150,000)	(113,190,000)	(54,040,000)	(57,300,000)
Proceeds from sale of bonds	60,000,000	117,060,000	57,060,000	71,847,885
Total other financing sources (uses)	<u>31,616,711</u>	<u>45,069,827</u>	<u>13,453,116</u>	<u>31,786,275</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(4,742,647)</u>	<u>9,645,515</u>	<u>14,388,162</u>	<u>2,393,534</u>
Fund balance at beginning of year	<u>9,986,163</u>	<u>9,986,163</u>	<u>0</u>	<u>7,592,629</u>
Fund balance at end of year	<u>\$ 5,243,516</u>	<u>\$ 19,631,678</u>	<u>\$ 14,388,162</u>	<u>\$ 9,986,163</u>

County of Loudoun, Virginia

Internal Service Funds

Central Services Fund - This Fund is used to account for the financing of goods or services provided between departments of the County, on a cost reimbursement basis and includes such activities as central support, duplication, vehicle, telephone and mail services.

Self Insurance Fund - This Fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss arising out of the assumption of risk rather than transferring that risk to a third party through the purchase of insurance and includes such retentions as health insurance, workers compensation insurance and automobile physical damage insurance.

County of Loudoun, Virginia					Statement E-1					
Combining Balance Sheet-Internal Service Funds										
June 30, 2001										
With Comparative Totals for June 30, 2000										
					Central Services Fund			Totals		
					Central Telephone	Central Support	Central Veh. Maint.	Central Mail		
					Central Vehicle	Central Duplicating	Self Insurance Fund	2001	2000	
ASSETS										
Cash and temporary investments	\$	1,387,440	\$	0	\$	226,291	\$	0		
Cash and investments with fiscal agents and trustees		0		0		0		0		
Accounts receivable		7,560		352		753		20		
Inventory of supplies		0		0		276,985		53,996		
Fixed assets (net of depreciation)		1,677,221		0		105,309		0		
TOTAL ASSETS	\$	3,072,221	\$	352	\$	609,338	\$	54,016		
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts payable	\$	58,748	\$	1,588	\$	80,909	\$	655		
Due to other Funds		0		20,251		0		12,101		
Claims, judgements and compensated absences		0		0		0		0		
Accrued payroll		0		11,155		2,228		0		
Total liabilities		58,748		32,994		83,137		12,756		
Fund Equity:										
Contributed capital		0		0		0		0		
Retained earnings (deficit)		3,013,473		(32,642)		526,201		41,260		
Total retained earnings		3,013,473		(32,642)		526,201		41,260		
Total equity and other credits		3,013,473		(32,642)		526,201		41,260		
TOTAL LIABILITIES AND FUND EQUITY	\$	3,072,221	\$	352	\$	609,338	\$	54,016		
							</			

County of Loudoun, Virginia					Statement E-2					
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Internal Service Funds Year Ended June 30, 2001 With Comparative Totals for June 30, 2000										
	Central Services Fund							Self	Totals	
	Central Telephone	Central Support	Central Veh. Maint.	Central Mail		Central Vehicle	Central Duplicating	Insurance Fund	2001	2000
Operating revenues:										
Charges for services	\$ 1,044,420	\$ 503,095	\$ 4,129,246	\$ 392,536	\$ 2,305,554	\$ 404,018	\$ 26,803,158	\$ 35,582,027	\$ 29,965,675	
Use of property	<u>60,281</u>	<u>0</u>	<u>28,557</u>	<u>360</u>	<u>0</u>	<u>36,591</u>	<u>0</u>	<u>125,789</u>	<u>101,821</u>	
Total operating revenues	<u>1,104,701</u>	<u>503,095</u>	<u>4,157,803</u>	<u>392,896</u>	<u>2,305,554</u>	<u>440,609</u>	<u>26,803,158</u>	<u>35,707,816</u>	<u>30,067,496</u>	
Operating expenses:										
Claims	0	0	0	0	0	0	22,080,443	22,080,443	19,833,400	
Personnel services	0	431,099	1,491,255	0	0	0	19,340	1,941,694	1,593,394	
Other services and charges	548,173	56,915	499,329	19,749	45,669	351,407	7,236,904	8,758,146	7,246,557	
Materials and supplies	2,016	6,005	2,269,055	377,896	98,636	83,098	0	2,836,706	2,150,953	
Depreciation	<u>423,801</u>	<u>0</u>	<u>18,834</u>	<u>0</u>	<u>2,021,818</u>	<u>0</u>	<u>0</u>	<u>2,464,453</u>	<u>2,099,154</u>	
Total operating expenses	<u>973,990</u>	<u>494,019</u>	<u>4,278,473</u>	<u>397,645</u>	<u>2,166,123</u>	<u>434,505</u>	<u>29,336,687</u>	<u>38,081,442</u>	<u>32,923,458</u>	
Operating income (loss)	<u>130,711</u>	<u>9,076</u>	<u>(120,670)</u>	<u>(4,749)</u>	<u>139,431</u>	<u>6,104</u>	<u>(2,533,529)</u>	<u>(2,373,626)</u>	<u>(2,855,962)</u>	
Non-operating revenues (expenses):										
Gain (loss) on disposal of fixed assets	<u>0</u>	<u>0</u>	<u>(1,493)</u>	<u>0</u>	<u>38,451</u>	<u>0</u>	<u>0</u>	<u>36,958</u>	<u>52,755</u>	
Net non-operating revenues(expenses)	<u>0</u>	<u>0</u>	<u>(1,493)</u>	<u>0</u>	<u>38,451</u>	<u>0</u>	<u>0</u>	<u>36,958</u>	<u>52,755</u>	
Net income (loss) before operating transfers	<u>130,711</u>	<u>9,076</u>	<u>(122,163)</u>	<u>(4,749)</u>	<u>177,882</u>	<u>6,104</u>	<u>(2,533,529)</u>	<u>(2,336,668)</u>	<u>(2,803,207)</u>	
Operating transfers in (out):										
Transfers-in	33,575	0	0	0	1,629,764	0	1,950,000	3,613,339	1,169,722	
Transfers-out	0	0	0	0	0	0	0	0	(21,970)	
Operating transfers in-component unit	0	0	0	0	0	0	525,000	525,000	500,000	
Transfers-out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total other financing sources (uses)	<u>33,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,629,764</u>	<u>0</u>	<u>2,475,000</u>	<u>4,138,339</u>	<u>1,647,752</u>	
Net income	164,286	9,076	(122,163)	(4,749)	1,807,646	6,104	(58,529)	1,801,671	(1,155,455)	
Total Fund Equity at beginning of year	<u>2,849,187</u>	<u>(41,718)</u>	<u>648,364</u>	<u>46,009</u>	<u>5,586,362</u>	<u>45,780</u>	<u>3,489,437</u>	<u>12,623,421</u>	<u>13,778,876</u>	
Total Fund Equity at end of year	\$ <u>3,013,473</u>	\$ <u>(32,642)</u>	\$ <u>526,201</u>	\$ <u>41,260</u>	\$ <u>7,394,008</u>	\$ <u>51,884</u>	\$ <u>3,430,908</u>	\$ <u>14,425,092</u>	\$ <u>12,623,421</u>	

County of Loudoun, Virginia					Statement E-3													
Combining Statement of Cash Flows - Internal Service Funds																		
Year Ended June 30, 2001																		
With Comparative Totals for June 30, 2000																		
					Central Services Fund		Self Insurance Fund	Totals										
					Central Telephone	Central Support	Central Veh. Maint.	Central Mail	Central Vehicle	Central Duplicating		2001	2000					
Cash flows from operating activities:																		
Operating income (loss)	\$	130,711	\$	9,076	\$	(120,670)	\$	(4,749)	\$	139,431	\$	6,104	\$	(2,533,529)	\$	(2,373,626)	\$	(2,855,962)
Adjustments to reconcile operating income to net cash provided by operating activities:																		
Depreciation		423,801		0		18,834		0		2,021,818		0		0		2,464,453		2,099,154
Change in assets and liabilities:																		
Accounts receivable		(2,243)		(352)		(553)		50		0		(554)		75,760		72,108		(72,893)
Inventory of supplies		590		130		12,379		(5,699)		0		0		0		7,400		13,804
Accounts payable		(4,084)		(1,441)		15,373		(1,024)		(41,602)		62,093		1,652,704		1,682,019		(613,667)
Due to other Funds		0		(10,591)		0		11,422		0		0		0		831		(406,494)
Accrued payroll		0		3,178		1,768		0		0		0		0		4,946		2,446
Claims, judgements and compensated absences		0		0		0		0		0		0		(1,647,586)		(1,647,586)		1,478,631
Total adjustments		418,064		(9,076)		47,801		4,749		1,980,216		61,539		80,878		2,584,171		2,500,981
Net cash provided by (used in) operating activities		548,775		0		(72,869)		0		2,119,647		67,643		(2,452,651)		210,545		(354,981)
Cash flows from noncapital financing activities:																		
Operating transfers in		33,575		0		0		0		1,629,764		0		2,475,000		4,138,339		1,669,722
Operating transfers out		0		0		0		0		0		0		0		0		(21,970)
Net cash flow provided (used) by noncapital financing activities		33,575		0		0		0		1,629,764		0		2,475,000		4,138,339		1,647,752
Cash flows from capital and related activities:																		
Aquisition of capital assets		(227,461)		0		(4,623)		0		(3,123,426)		0		0		(3,355,510)		(2,683,971)
Proceeds from disposition of capital assets		0		0		(1,493)		0		38,451		0		0		36,958		92,644
Net cash flows used in capital and related financing activities		(227,461)		0		(6,116)		0		(3,084,975)		0		0		(3,318,552)		(2,591,327)
Net increase (decrease) in cash and cash equivalents (including those held with fiscal agent)		354,889		0		(78,985)		0		664,436		67,643		22,349		1,030,332		(1,298,556)
Cash and cash equivalents (including those held with fiscal agent) at beginning of year		1,032,551		0		305,276		0		295,777		105,137		12,285,553		14,024,294		15,322,850
Cash and cash equivalents (including those held with fiscal agent) at end of year	\$	1,387,440	\$	0	\$	226,291	\$	0	\$	960,213	\$	172,780	\$	12,307,902	\$	15,054,626	\$	14,024,294

County of Loudoun, Virginia

Trust and Agency Funds

Trust and Agency Funds are used to account for the assets received and disbursed by the County government acting in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Nonexpendable Trust Fund:

Peabody Trust Fund - This Fund is used to account for monies provided through a private donor, the corpus of which is nonexpendable. The interest earned on fund assets may be used only for school expenses.

Expendable Trust Funds:

Public Facilities and Services Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for any public facility or service purposes.

Swimming Pool Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for swimming pool purposes.

Sheriff's Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for law enforcement purposes.

Animal Shelter Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the animal shelter.

Special Welfare Trust Fund - This Fund is used to account for monies provided through the State and from private donors, restricted to use for emergency welfare purposes.

Senior Center Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the senior center.

County of Loudoun, Virginia

Trust and Agency Funds

(Continued)

Expendable Trust Funds:

War Memorial Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the maintenance and improvement of the Vietnam Memorial.

Environmental Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for environmentally sensitive purposes.

Housing Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for affordable housing in the County.

Transportation District Trust Fund - This Fund is used to account for monies collected as local gas sales tax, restricted to use for transportation purposes.

Uran Holocaust Trust Fund - This Fund is used to account for monies provided by a private donor, restricted to use for the purchase of educational holocaust materials in the libraries.

Beautification Trust Fund - This Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the planting of trees on the Route 15 bypass.

Horton Program For The Arts Trust Fund - This Fund is used to account for monies provided by private donors, restricted to use for the funding of cultured arts programs at the Eastern Loudoun Regional Library.

Adult Detention Center (ADC) Inmate Trust Fund - This fund is used to account for monies held by inmates of the County's ADC at the time of incarceration.

County of Loudoun, Virginia

Trust and Agency Funds

(Continued)

Pension Trust Funds:

Volunteer Fire and Rescue Retirement Fund - This Fund is used to account for contributions and earnings for the volunteer fire and rescue retirement system.

Agency Funds:

Performance Bond Fund - This Fund is used to account for monies received from and returned to individuals and businesses who are required to have a performance bond for development. The County acts as an agent to hold the monies until performance is rendered.

Employee Benefits Distribution Fund - This Fund is used to account for employee withholdings, employer contributions and payments made for employee benefits.

County of Loudoun, Virginia							Statement F-1 Page 1 of 2																							
Combining Balance Sheet-Fiduciary Funds June 30, 2001 With Comparative Totals for June 30, 2000																														
							Expendable Trust Funds																							
Nonexpendable		Expendable Trust Funds																												
Trust Fund	Public	Swimming	Sheriff's	Animal	Special		Senior	War	Environmental	Housing	Transportation	Uran Holocaust	Beautification	Horton Program	ADC															
Peabody	Facilities	Pool	Trust	Shelter	Welfare		Center	Memorial	Trust	Trust	District	Trust	Trust	For The Arts	Inmate															
ASSETS																														
Cash and temporary investments	\$	49,646	\$	32,476,201	\$	0	\$	13,668	\$	177,406	\$	26,724	\$	470	\$	9,269	\$	1,488	\$	223,498	\$	0	\$	909,972	\$	7,301	\$	6,443	\$	114,679
Cash and investments with fiscal agents and trustees		0		0		0		0		0		0		0		0		0		0		9,041,743		0		0		0		0
Accounts receivable		0		0		0		0		0		0		0		0		0		0		641,120		0		0		0		0
Notes and loans receivable		149		0		0		0		0		0		0		0		0		0		0		0		0		0		0
TOTAL ASSETS	\$	<u>49,795</u>	\$	<u>32,476,201</u>	\$	<u>0</u>	\$	<u>13,668</u>	\$	<u>177,406</u>	\$	<u>26,724</u>	\$	<u>470</u>	\$	<u>9,269</u>	\$	<u>1,488</u>	\$	<u>223,498</u>	\$	<u>9,682,863</u>	\$	<u>909,972</u>	\$	<u>7,301</u>	\$	<u>6,443</u>	\$	<u>114,679</u>
LIABILITIES AND FUND EQUITY																														
Liabilities:																														
Accounts payable	\$	0	\$	114,306	\$	0	\$	1,338	\$	19,668	\$	7,771	\$	0	\$	0	\$	0	\$	0	\$	2,129	\$	4,786	\$	0	\$	0	\$	0
Due to other Funds		0		0		0		0		0		0		0		0		0		0		1,409,617		0		0		0		0
Retainages Payable		0		0		0		0		0		0		0		0		0		0		12,658		0		0		0		0
Collections held in trust		0		72,782		0		0		0		0		0		0		1,488		0		0		0		0		0		114,679
Advanced funding for contingent liabilities		0		29,578		0		0		0		0		0		0		0		0		0		0		0		0		0
Total liabilities		<u>0</u>		<u>216,666</u>		<u>0</u>		<u>1,338</u>		<u>19,668</u>		<u>7,771</u>		<u>0</u>		<u>0</u>		<u>1,488</u>		<u>0</u>		<u>1,424,404</u>		<u>4,786</u>		<u>0</u>		<u>0</u>		<u>114,679</u>
Fund Equity:																														
Fund balance:																														
Reserved for:																														
Trust and agency funds		14,074		32,257,749		0		12,330		157,713		18,953		470		9,269		0		223,498		7,839,791		905,186		7,301		6,443		0
Encumbrances		0		1,786		0		0		25		0		0		0		0		0		418,668		0		0		0		0
Fund corpus-Peabody Trust Fund		35,721		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Employees pension benefits		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Total fund balance		<u>49,795</u>		<u>32,259,535</u>		<u>0</u>		<u>12,330</u>		<u>157,738</u>		<u>18,953</u>		<u>470</u>		<u>9,269</u>		<u>0</u>		<u>223,498</u>		<u>8,258,459</u>		<u>905,186</u>		<u>7,301</u>		<u>6,443</u>		<u>0</u>
Total equity and other credits		<u>49,795</u>		<u>32,259,535</u>		<u>0</u>		<u>12,330</u>		<u>157,738</u>		<u>18,953</u>		<u>470</u>		<u>9,269</u>		<u>0</u>		<u>223,498</u>		<u>8,258,459</u>		<u>905,186</u>		<u>7,301</u>		<u>6,443</u>		<u>0</u>
TOTAL LIABILITIES AND FUND EQUITY	\$	<u>49,795</u>	\$	<u>32,476,201</u>	\$	<u>0</u>	\$	<u>13,668</u>	\$	<u>177,406</u>	\$	<u>26,724</u>	\$	<u>470</u>	\$	<u>9,269</u>	\$	<u>1,488</u>	\$	<u>223,498</u>	\$	<u>9,682,863</u>	\$	<u>909,972</u>	\$	<u>7,301</u>	\$	<u>6,443</u>	\$	<u>114,679</u>

County of Loudoun, Virginia

Statement F-1

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Combining Balance Sheet-Fiduciary Funds

June 30, 2001

With Comparative Totals for June 30, 2000

	Pension Trust Volunteer Fire/Rescue	Agency Funds		Totals	
		Performance Bonds	Employee Benefits Distribution	2001	2000
ASSETS					
Cash and temporary investments	\$ 0	\$ 8,910,919	\$ 6,819,724	\$ 49,747,408	\$ 42,518,167
Cash and investments with fiscal agents and trustees	6,889,440	0	0	15,931,183	13,297,458
Accounts receivable	0	0	328	641,448	0
Notes and loans receivable	0	0	0	149	149
TOTAL ASSETS	6,889,440	8,910,919	6,820,052	\$ 66,320,188	\$ 55,815,774
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 0	\$ 258,619	\$ 6,820,052	\$ 7,228,669	\$ 6,129,206
Due to other Funds	0	0	0	1,409,617	931,126
Retainages payable	0	0	0	12,658	3,174
Collections held in trust	0	8,652,300	0	8,841,249	7,577,674
Advanced funding for contingent liabilities	0	0	0	29,578	29,578
Total liabilities	0	8,910,919	6,820,052	17,521,771	14,670,758
Fund Equity:					
Fund balance:					
Reserved for:					
Trust and agency funds	0	0	0	41,452,777	34,471,928
Encumbrances	0	0	0	420,479	53,111
Fund corpus-Peabody Trust Fund	0	0	0	35,721	35,721
Employees pension benefits	6,889,440	0	0	6,889,440	6,584,256
Total fund balance	6,889,440	0	0	48,798,417	41,145,016
Total equity and other credits	6,889,440	0	0	48,798,417	41,145,016
TOTAL LIABILITIES AND FUND EQUITY	\$ 6,889,440	\$ 8,910,919	\$ 6,820,052	\$ 66,320,188	\$ 55,815,774

County of Loudoun, Virginia						Statement F-2									
Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Expendable Trust Funds Year Ended June 30, 2001 With Comparative Totals for June 30, 2000															
	Public Facilities	Horton Program For The Arts	Sheriff's Trust	Animal Shelter	Special Welfare	Senior Center	War Memorial	Housing Trust	Transportation District	Uran Holocaust Trust	Beautification Trust	Totals			
												2001	2000		
Revenues:															
Local gasoline taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,004,823	\$ 0	\$ 0	\$ 4,004,823	\$ 2,450,296		
Intergovernmental	0	0	0	4,866	0	0	0	0	0	0	0	4,866	1,830		
Use of money and property	1,759,516	368	0	10,300	0	0	535	0	557,980	57,015	645	2,386,359	1,818,763		
Gifts and donations	10,644,258	3,298	24,926	90,904	66,614	0	0	373,567	0	0	0	11,203,567	8,257,574		
Total revenues	<u>12,403,774</u>	<u>3,666</u>	<u>24,926</u>	<u>106,070</u>	<u>66,614</u>	<u>0</u>	<u>535</u>	<u>373,567</u>	<u>4,562,803</u>	<u>57,015</u>	<u>645</u>	<u>17,599,615</u>	<u>12,528,463</u>		
Expenditures:															
Current															
Fire, rescue and emergency services	693,431	0	0	0	0	0	0	0	0	0	0	693,431	653,369		
Parks, recreation and cultural development	0	0	0	0	0	0	0	0	0	0	0	0	0		
Health and Welfare	0	0	0	0	80,254	0	0	0	0	0	0	80,254	65,768		
Community development	1,468,081	0	0	0	0	0	0	0	1,595,033	0	0	3,063,114	1,960,865		
Nondepartmental	0	1,850	19,279	28,417	0	0	563	0	0	142,782	12,915	205,806	151,315		
Total expenditures	<u>2,161,512</u>	<u>1,850</u>	<u>19,279</u>	<u>28,417</u>	<u>80,254</u>	<u>0</u>	<u>563</u>	<u>0</u>	<u>1,595,033</u>	<u>142,782</u>	<u>12,915</u>	<u>4,042,605</u>	<u>2,831,317</u>		
Excess (deficiency) of revenues over (under) expenditures	10,242,262	1,816	5,647	77,653	(13,640)	0	(28)	373,567	2,967,770	(85,767)	(12,270)	13,557,010	9,697,146		
Operating transfers in (out):															
Transfers-in	0	0	0	0	0	0	0	0	170,267	0	0	170,267	0		
Transfers-out	(4,625,322)	0	0	(65,915)	0	0	0	(373,567)	(614,871)	0	0	(5,679,675)	(3,053,867)		
Operating transfers out-component unit	(695,100)	0	0	0	0	0	0	0	0	0	0	(695,100)	0		
Total other financing sources (uses)	<u>(5,320,422)</u>	<u>0</u>	<u>0</u>	<u>(65,915)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(373,567)</u>	<u>(444,604)</u>	<u>0</u>	<u>0</u>	<u>(6,204,508)</u>	<u>(3,053,867)</u>		
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,921,840	1,816	5,647	11,738	(13,640)	0	(28)	0	2,523,166	(85,767)	(12,270)	7,352,502	6,643,279		
Fund balances at beginning of year	<u>27,337,695</u>	<u>4,627</u>	<u>6,683</u>	<u>146,000</u>	<u>32,593</u>	<u>470</u>	<u>9,297</u>	<u>223,498</u>	<u>5,735,293</u>	<u>990,953</u>	<u>19,571</u>	<u>34,506,680</u>	<u>27,863,401</u>		
Fund balances at end of year	<u>\$ 32,259,535</u>	<u>\$ 6,443</u>	<u>\$ 12,330</u>	<u>\$ 157,738</u>	<u>\$ 18,953</u>	<u>\$ 470</u>	<u>\$ 9,269</u>	<u>\$ 223,498</u>	<u>\$ 8,258,459</u>	<u>\$ 905,186</u>	<u>\$ 7,301</u>	<u>\$ 41,859,182</u>	<u>\$ 34,506,680</u>		

County of Loudoun, Virginia

**Comparative Statement of Revenues, Expenses and Changes in
Fund Balances - Peabody Trust Fund
Years ended June 30, 2001 and 2000**

2001

2000

Operating expenses:

Other services and charges	\$ 5,061	\$ 3,664
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Total operating expenses	<u>5,061</u>	<u>3,664</u>
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Operating income (loss)	<u>(5,061)</u>	<u>(3,664)</u>
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Non-operating revenues:

Interest revenue	<u>776</u>	<u>818</u>
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Net non-operating revenues	<u>776</u>	<u>818</u>
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Net income (loss)	<u>(4,285)</u>	<u>(2,846)</u>
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Retained earnings at beginning of year	<u>54,080</u>	<u>56,926</u>
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Retained earnings at end of year	<u><u>\$ 49,795</u></u>	<u><u>\$ 54,080</u></u>
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County of Loudoun, Virginia
Comparative Statement of Cash Flows -
Peabody Trust Fund
Years ended June 30, 2001 and 2000

	2001	2000
Cash flows provided by (used in) operating activities:		
Operating income (loss)	\$ (5,061)	\$ (3,664)
Net cash provided by (used in) operating activities	<u>(5,061)</u>	<u>(3,664)</u>
Cash flows from investing activities:		
Interest received	<u>776</u>	<u>818</u>
Net cash provided (used) by investing activities	<u>776</u>	<u>818</u>
Net increase (decrease) in cash and cash equivalents (including those held with fiscal agent)	(4,285)	(2,846)
Cash and cash equivalents (including those held with fiscal agent) at beginning of year	<u>54,080</u>	<u>56,926</u>
Cash and cash equivalents (including those held with fiscal agent) at end of year	\$ <u><u>49,795</u></u>	\$ <u><u>54,080</u></u>

County of Loudoun, Virginia

Statement F-5

**Statement of Plan Net Assets-PENSION TRUST FUND
June 30, 2001**

	<u>2001</u>
ASSETS	
Investments in insurance contracts (at fair value)	\$ <u>6,889,440</u>
TOTAL ASSETS	\$ <u><u>6,889,440</u></u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
(A Schedule of Funding Progress is presented in Note XIV B)	\$ <u><u>6,889,440</u></u>

County of Loudoun, Virginia

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds - Individual Fund Grouping
Year Ended June 30, 2001**

	Balance June 30, 2000	Additions	Deductions	Balance June 30, 2001
<u>Performance bond fund</u>				
Assets				
Cash and temporary investments	\$ 7,569,829	\$ 3,586,323	\$ 2,245,233	\$ 8,910,919
Total assets	\$ 7,569,829	\$ 3,586,323	\$ 2,245,233	\$ 8,910,919
Liabilities				
Accounts Payable	\$ 66,425	\$ 1,572,726	\$ 1,380,532	\$ 258,619
Collections held in trust	7,503,404	3,492,209	2,343,313	8,652,300
Total liabilities	\$ 7,569,829	\$ 5,064,935	\$ 3,723,845	\$ 8,910,919
<u>Employee benefits distribution fund</u>				
Assets				
Cash and temporary investments	\$ 5,852,920	\$ 123,587,717	\$ 122,620,913	\$ 6,819,724
Accounts receivable	0	613	285	328
Total assets	\$ 5,852,920	\$ 123,588,330	\$ 122,621,198	\$ 6,820,052
Liabilities				
Accounts Payable	\$ 5,852,920	\$ 159,785,489	\$ 158,818,357	\$ 6,820,052
Total liabilities	\$ 5,852,920	\$ 159,785,489	\$ 158,818,357	\$ 6,820,052
<u>Totals - All Agency Funds</u>				
Assets				
Cash and temporary investments	\$ 13,422,749	\$ 127,174,040	\$ 124,866,146	\$ 15,730,643
Accounts receivable	0	613	285	328
Total assets	\$ 13,422,749	\$ 127,174,653	\$ 124,866,431	\$ 15,730,971
Liabilities				
Accounts Payable	\$ 5,919,345	\$ 161,358,215	\$ 160,198,889	\$ 7,078,671
Collections held in trust	7,503,404	3,492,209	2,343,313	8,652,300
Total liabilities	\$ 13,422,749	\$ 164,850,424	\$ 162,542,202	\$ 15,730,971

County of Loudoun, Virginia

Discrete Component Unit - School Board Funds

School Operating Fund - This Fund is used to account for the general operations of the County's school system. Financing is provided primarily by transfers from the primary government and State and Federal grants to be used for education purposes only.

Capital Projects Fund - This Fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the school system. Financing is provided primarily by bond issues, State and Federal grants and transfers from the primary government.

Capital Asset Replacement Fund - This Fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment and other long-lived improvements for the school system. Financing is provided primarily by transfers from the primary government.

Debt Service Fund - This Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs of the school system. Financing is provided primarily by transfers from the primary government.

County of Loudoun, Virginia				Statement G-1					
Combining Balance Sheet-Discretely Presented Component Unit - School Board									
June 30, 2001									
With Comparative Totals for June 30, 2000									
	Governmental Funds				Account Groups		Agency Fund	Totals	
	School Operating	School Capital Projects	School Capital Assets	School Debt Service	School Fixed Assets	School Long-Term Debt	School Activity Fund	(Memorandum Only)	
								2001	2000
ASSETS									
Cash and temporary investments	\$ 26,371,836	\$ 18,321,380	\$ 2,669,764	\$ 702,393	\$ 0	\$ 0	\$ 2,435,155	\$ 50,500,528	\$ 12,260,288
Cash and investments with fiscal agents and trustees	324,680	12,825,939	1,196,984	0	0	0	0	14,347,603	12,280,794
Accounts receivable	71,167	0	0	0	0	0	0	71,167	36,117
Due from other governments	4,910,956	0	0	0	0	0	0	4,910,956	3,795,885
Due from other Funds	39,939	0	0	0	0	0	0	39,939	15,044,930
Inventory of supplies	206,498	0	0	0	0	0	0	206,498	168,643
Prepaid items	38,133	0	0	0	0	0	0	38,133	52,740
Fixed assets (net of depreciation)	0	0	0	0	459,163,427	0	0	459,163,427	378,695,592
Amount available for retirement of general long-term debt	0	0	0	0	0	662,189	0	662,189	703,799
Amount to be provided for retirement of general long-term debt	0	0	0	0	0	14,320,824	0	14,320,824	11,212,312
TOTAL ASSETS	\$ 31,963,209	\$ 31,147,319	\$ 3,866,748	\$ 702,393	\$ 459,163,427	\$ 14,983,013	\$ 2,435,155	\$ 544,261,264	\$ 434,251,100
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts payable	\$ 2,424,072	\$ 5,418,197	\$ 2,156,068	\$ 265	\$ 0	\$ 0	\$ 0	\$ 9,998,602	\$ 8,003,924
Due to other Funds	0	0	0	39,939	0	0	0	39,939	15,044,930
Retainages payable	0	3,024,324	190,757	0	0	0	0	3,215,081	2,766,841
Capital leases payable	0	0	0	0	0	8,242,321	0	8,242,321	6,050,461
Claims, judgements and compensated absences	0	0	0	0	0	6,740,692	0	6,740,692	5,777,650
Accrued payroll	20,819,721	62	0	0	0	0	0	20,819,783	16,689,065
Deferred revenue	568,416	0	0	0	0	0	0	568,416	498,367
Collections held in trust	0	0	0	0	0	0	2,435,155	2,435,155	2,014,318
Bonds and loans payable (net of unamortized discounts)	0	0	0	0	0	0	0	0	88,000
Total liabilities	23,812,209	8,442,583	2,346,825	40,204	0	14,983,013	2,435,155	52,059,989	56,933,556
Fund Equity:									
Investment in general fixed assets	0	0	0	0	459,163,427	0	0	459,163,427	378,695,592
Fund balance:									
Reserved for:									
Prepaid items	52,740	0	0	0	0	0	0	52,740	52,740
Encumbrances	3,379,112	80,486,941	2,656,379	0	0	0	0	86,522,432	29,611,327
Unreserved:									
Designated for:									
Appropriations	0	0	0	0	0	0	0	0	70,112,718
Fiscal cash liquidity purposes	3,500,000	0	0	0	0	0	0	3,500,000	2,000,000
Future Debt Service	0	0	0	662,189	0	0	0	662,189	703,799
Cafeteria sales	577,587	0	0	0	0	0	0	577,587	437,561
Undesignated	641,561	(57,782,205)	(1,136,456)	0	0	0	0	(58,277,100)	(104,296,193)
Total fund balance	8,151,000	22,704,736	1,519,923	662,189	0	0	0	33,037,848	(1,378,048)
Total equity and other credits	8,151,000	22,704,736	1,519,923	662,189	459,163,427	0	0	492,201,275	377,317,544
TOTAL LIABILITIES AND FUND BALANCE	\$ 31,963,209	\$ 31,147,319	\$ 3,866,748	\$ 702,393	\$ 459,163,427	\$ 14,983,013	\$ 2,435,155	\$ 544,261,264	\$ 434,251,100

County of Loudoun, Virginia					Statement G-2	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Discretely Presented Component Unit - School Board Year Ended June 30, 2001						
	Governmental Funds				Totals (Memorandum Only)	
	School Operating	School Capital Projects	School Capital Assets	School Debt Service	2001	2000
Revenues:						
Intergovernmental	\$ 75,086,450	\$ 0	\$ 0	\$ 0	\$ 75,086,450	\$ 61,727,549
Charges for services	6,584,857	0	0	0	6,584,857	5,310,351
Use of money and property	353,300	0	0	0	353,300	226,742
Miscellaneous	108,078	1,307,900	0	0	1,415,978	101,576
Recovered costs	222,730	1,116,668	0	0	1,339,398	150,478
Total revenues	<u>82,355,415</u>	<u>2,424,568</u>	<u>0</u>	<u>0</u>	<u>84,779,983</u>	<u>67,516,696</u>
Expenditures:						
Current						
Education	254,091,424	0	0	0	254,091,424	212,358,164
Capital outlay	0	74,048,803	6,439,603	0	80,488,406	55,991,014
Debt service:						
Principal retirement	0	0	0	3,566,140	3,566,140	2,270,680
Interest and service charges	0	0	0	189,162	189,162	176,917
Total expenditures	<u>254,091,424</u>	<u>74,048,803</u>	<u>6,439,603</u>	<u>3,755,302</u>	<u>338,335,132</u>	<u>270,796,775</u>
Excess (deficiency) of revenues over (under) expenditures	(171,736,009)	(71,624,235)	(6,439,603)	(3,755,302)	(253,555,149)	(203,280,079)
Other financing sources (uses):						
Transfers-in	0	0	0	3,713,692	3,713,692	3,134,289
Transfers-out	(3,713,692)	0	0	0	(3,713,692)	(3,134,289)
Operating transfers in-primary government	169,611,502	119,020,824	8,276,000	0	296,908,326	208,819,418
Operating transfers out-primary government	(1,154,165)	(13,453,116)	0	0	(14,607,281)	(510,205)
Lease/purchase financing	5,670,000	0	0	0	5,670,000	4,498,284
Proceeds from sale of bonds	0	0	0	0	0	0
Total other financing sources (uses)	<u>170,413,645</u>	<u>105,567,708</u>	<u>8,276,000</u>	<u>3,713,692</u>	<u>287,971,045</u>	<u>212,807,497</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,322,364)	33,943,473	1,836,397	(41,610)	34,415,896	9,527,418
Fund balances at beginning of year	9,473,364	(11,238,737)	(316,474)	703,799	(1,378,048)	(10,905,466)
Fund balances at end of year	\$ 8,151,000	\$ 22,704,736	\$ 1,519,923	\$ 662,189	\$ 33,037,848	\$ (1,378,048)

County of Loudoun, Virginia							Statement G-3					
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual - Discretely Presented Component Unit - School Board Year Ended June 30, 2001												
	School Operating			School Capital Projects			School Capital Assets			School Debt Service		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenues:												
Intergovernmental	\$ 73,121,742	\$ 75,086,450	\$ 1,964,708	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	6,919,687	6,584,857	(334,830)	0	0	0	0	0	0	0	0	0
Use of money and property	109,156	353,300	244,144	0	0	0	0	0	0	0	0	0
Miscellaneous	61,803	108,078	46,275	(290,000)	1,307,900	1,597,900	0	0	0	0	0	0
Recovered costs	205,480	222,730	17,250	1,116,668	1,116,668	0	0	0	0	0	0	0
Total revenues	80,417,868	82,355,415	1,937,547	826,668	2,424,568	1,597,900	0	0	0	0	0	0
Expenditures:												
Current												
Education	258,671,812	254,091,424	4,580,388	0	0	0	0	0	0	0	0	0
Capital outlay	0	0	0	168,282,392	74,048,803	94,233,589	7,451,000	6,439,603	1,011,397	0	0	0
Debt service:												
Principal retirement	0	0	0	0	0	0	0	0	0	2,459,023	3,566,140	(1,107,117)
Interest and service charges	0	0	0	0	0	0	0	0	0	1,345,309	189,162	1,156,147
Total expenditures	258,671,812	254,091,424	4,580,388	168,282,392	74,048,803	94,233,589	7,451,000	6,439,603	1,011,397	3,804,332	3,755,302	49,030
Excess (deficiency) of revenues over (under) expenditures	(178,253,944)	(171,736,009)	6,517,935	(167,455,724)	(71,624,235)	95,831,489	(7,451,000)	(6,439,603)	1,011,397	(3,804,332)	(3,755,302)	49,030
Other financing sources (uses):												
Transfers-in	0	0	0	0	0	0	0	0	0	3,713,692	3,713,692	0
Transfers-out	(3,713,692)	(3,713,692)	0	0	0	0	0	0	0	0	0	0
Operating transfers in-primary government	169,611,502	169,611,502	0	76,570,724	119,020,824	42,450,100	8,281,000	8,276,000	(5,000)	0	0	0
Operating transfers out-primary government	0	(1,154,165)	(1,154,165)	0	(13,453,116)	(13,453,116)	0	0	0	0	0	0
Lease/purchase financing	5,670,000	5,670,000	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of bonds	0	0	0	90,885,000	0	(90,885,000)	(830,000)	0	(830,000)	0	0	0
Total other financing sources (uses)	171,567,810	170,413,645	(1,154,165)	167,455,724	105,567,708	(61,888,016)	7,451,000	8,276,000	(835,000)	3,713,692	3,713,692	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(6,686,134)	(1,322,364)	5,363,770	0	33,943,473	33,943,473	0	1,836,397	1,846,397	(90,640)	(41,610)	49,030
Fund balances at beginning of year	(1,481,063)	9,473,364	0	(18,938,341)	(11,238,737)	0	2,770,658	(316,474)	0	703,799	703,799	0
Fund balances at end of year	\$ (8,167,197)	\$ 8,151,000	\$ 5,363,770	\$ (18,938,341)	\$ 22,704,736	\$ 33,943,473	\$ 2,770,658	\$ 1,519,923	\$ 1,846,397	\$ 613,159	\$ 662,189	\$ 49,030

County of Loudoun, Virginia

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual-Discretely Presented Component Unit - School Capital Projects Fund
From Inception and for the Year Ended June 30, 2001**

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Intergovernmental	\$ 541,206	\$ 541,206	\$ 0	\$ 541,206
Charges for services	0	81	0	81
Miscellaneous	1,920,000	10,000	1,307,900	1,317,900
Recovered costs	1,193,173	76,505	1,116,668	1,193,173
Total revenues	<u>3,654,379</u>	<u>627,792</u>	<u>2,424,568</u>	<u>3,052,360</u>
Expenditures:				
Personnel Services	977,229	1,436,651	716,997	2,153,648
Other materials and Services	78,214,688	41,608,820	12,682,660	54,291,480
Capital outlay	37,025,255	3,007,571	2,275,956	5,283,527
Construction	404,771,482	220,224,327	58,373,191	278,597,518
Total expenditures	<u>520,988,654</u>	<u>266,277,369</u>	<u>74,048,804</u>	<u>340,326,173</u>
Deficiency of revenues over expenditures	(517,334,275)	(265,649,577)	(71,624,236)	(337,273,813)
Other financing sources:				
Operating transfers in-primary government	43,957,913	32,119,684	11,835,824	43,955,508
Transfers-in	932,370	932,370	0	932,370
Operating transfers out-primary government	0	(10,205)	(13,453,116)	(13,463,321)
Proceeds from sale of bonds	472,443,992	221,368,992	107,185,000	328,553,992
Total other financing sources	<u>517,334,275</u>	<u>254,410,841</u>	<u>105,567,708</u>	<u>359,978,549</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>0</u>	\$ <u>(11,238,736)</u>	33,943,472	22,704,736
Fund balance at beginning of year			(11,238,736)	0
Fund balance at end of year			\$ <u>22,704,736</u>	\$ <u>22,704,736</u>

County of Loudoun, Virginia

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual-Discretely Presented Component Unit - School Capital Assets Fund
From Inception and for the Year Ended June 30, 2001**

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Use of money and property	\$ 412,000	\$ 412,000	\$ 0	\$ 412,000
Total revenues	<u>412,000</u>	<u>412,000</u>	<u>0</u>	<u>412,000</u>
Expenditures:				
Other materials and Services	2,924,287	2,439,390	404,246	2,843,636
Construction	29,331,713	11,497,084	6,035,357	17,532,441
Total expenditures	<u>32,256,000</u>	<u>13,936,474</u>	<u>6,439,603</u>	<u>20,376,077</u>
Deficiency of revenues over expenditures	(31,844,000)	(13,524,474)	(6,439,603)	(19,964,077)
Other financing sources:				
Operating transfers in-primary government	11,714,000	9,443,000	2,271,000	11,714,000
Transfers-in	90,000	90,000	0	90,000
Proceeds from sale of bonds	20,040,000	3,675,000	6,005,000	9,680,000
Total other financing sources	<u>31,844,000</u>	<u>13,208,000</u>	<u>8,276,000</u>	<u>21,484,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>0</u>	\$ <u>(316,474)</u>	1,836,397	1,519,923
Fund balance at beginning of year			(316,474)	0
Fund balance at end of year			\$ <u>1,519,923</u>	\$ <u>1,519,923</u>

County of Loudoun, Virginia

Combining Statement of Changes in Assets and Liabilities
Agency Fund - Component Unit-School Board
Year Ended June 30, 2001

	Balance June 30, 2000	Additions	Deductions	Balance June 30, 2001
<u>School activity fund</u>				
Assets				
Cash and temporary investments	\$ 2,014,318	\$ 5,715,743	\$ 5,294,906	\$ 2,435,155
Total assets	\$ 2,014,318	\$ 5,715,743	\$ 5,294,906	\$ 2,435,155
Liabilities				
Collections held in trust	2,014,318	5,715,743	5,294,906	2,435,155
Total liabilities	\$ 2,014,318	\$ 5,715,743	\$ 5,294,906	\$ 2,435,155

County of Loudoun, Virginia

Supplemental Schedules

The Supplemental Schedules are presented to reflect finance related, legal and contractual compliance, details of data summarized in the preceeding financial statements and other information deemed useful for financial statement users in the analysis of the County's financial activities.

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
At June 30, 2001

General fixed assets:

Land	\$ 63,729,837
Buildings	83,503,384
Improvements other than buildings	11,929,659
Equipment	30,247,872
Construction in progress	<u>29,059,186</u>
Total general fixed assets	\$ <u>218,469,938</u>

Investments in general fixed assets:

General obligation bonds	\$ 16,958,404
Federal grants	399,551
State grants	2,247,203
Lease purchase	26,608,967
General government revenues	145,712,741
Donations	<u>26,543,072</u>
Total investment in general fixed assets	\$ <u>218,469,938</u>

COUNTY OF LOUDOUN, VIRGINIA

**SCHEDULE OF FIXED ASSETS
BY FUNCTION AND PROGRAM
As of June 30, 2001**

Function and Program	Land	Improvements other than Buildings	Buildings	Machinery and Equipment	Total
General government administration:					
Legislative	\$ 54,039	\$ 0	\$ 1,046,922	\$ 5,752	\$ 1,106,713
General and financial administration	15,673,773	0	32,202,057	10,463,686	58,339,516
Elections administration	0	0	0	286,836	286,836
Total general government administration	<u>15,727,812</u>	<u>0</u>	<u>33,248,979</u>	<u>10,756,274</u>	<u>59,733,065</u>
Judicial administration:					
Courts	398,112	0	814,175	685,025	1,897,312
Sheriff	0	0	0	14,553	14,553
Commonwealth's attorney	0	0	0	27,307	27,307
Total judicial administration	<u>398,112</u>	<u>0</u>	<u>814,175</u>	<u>726,885</u>	<u>1,939,172</u>
Public safety:					
Law enforcement and traffic control	15,639	0	5,841	4,140,728	4,162,208
Fire and rescue services	42,459	0	4,258,210	5,460,972	9,761,641
Corrections and detention	264,996	5,675	4,991,704	350,476	5,612,851
Inspections	0	0	0	83,069	83,069
Other protection	17,637	0	1,775,580	57,619	1,850,836
Total public safety	<u>340,731</u>	<u>5,675</u>	<u>11,031,335</u>	<u>10,092,864</u>	<u>21,470,605</u>
Public works:					
Sanitation and waste removal	16,658,471	12,170	1,131,728	2,481,777	20,284,146
Maintenance of general building and ground	3,336	0	1,693,142	226,919	1,923,397
Total public works	<u>16,661,807</u>	<u>12,170</u>	<u>2,824,870</u>	<u>2,708,696</u>	<u>22,207,543</u>
Health and welfare:					
Health	0	0	0	38,542	38,542
Mental health and mental retardation	549,387	26,788	2,215,247	189,629	2,981,051
Welfare and social services	2,552,143	0	13,499,018	923,426	16,974,587
Total health and welfare	<u>3,101,530</u>	<u>26,788</u>	<u>15,714,265</u>	<u>1,151,597</u>	<u>19,994,180</u>
Parks, recreation and culture:					
Parks and recreation	6,957,145	11,885,026	4,767,753	1,848,202	25,458,126
Library	3,689,234	0	13,875,371	1,592,025	19,156,630
Total parks, recreation and culture	<u>10,646,379</u>	<u>11,885,026</u>	<u>18,643,124</u>	<u>3,440,227</u>	<u>44,614,756</u>
Community development:					
Planning, community development and economic development	7,064,480	0	1,226,636	1,302,205	9,593,321
Environmental management	0	0	0	60,582	60,582
Cooperative Extension Program	0	0	0	3,021	3,021
Total community development	<u>7,064,480</u>	<u>0</u>	<u>1,226,636</u>	<u>1,365,808</u>	<u>9,656,924</u>
Miscellaneous:					
Miscellaneous	9,788,986	0	0	5,521	9,794,507
Total miscellaneous	<u>9,788,986</u>	<u>0</u>	<u>0</u>	<u>5,521</u>	<u>9,794,507</u>
Total general fixed assets allocation to function	<u>\$ 63,729,837</u>	<u>\$ 11,929,659</u>	<u>\$ 83,503,384</u>	<u>\$ 30,247,872</u>	<u>189,410,752</u>
Construction in progress					<u>29,059,186</u>
Total general fixed assets					<u>\$ 218,469,938</u>

COUNTY OF LOUDOUN, VIRGINIA

**SCHEDULE OF CHANGES IN FIXED ASSETS
BY FUNCTION AND PROGRAM
Year Ended June 30, 2000**

Function and Program	Fixed Assets 07/01/00	Additions	Retirements	Transfers In / (Out)	Fixed Assets 06/30/01
General government administration:					
Legislative	\$ 1,106,713	\$ 0	\$ 0	\$ 0	\$ 1,106,713
General and financial administration	57,474,302	1,540,540	805,282	129,956	58,339,516
Elections administration	274,836	12,000	0	0	286,836
Total general government administration	58,855,851	1,552,540	805,282	129,956	59,733,065
Judicial administration:					
Courts	1,837,992	59,320	0	0	1,897,312
Sheriff	12,053	2,500	0	0	14,553
Commonwealth's attorney	27,307	0	0	0	27,307
Total judicial administration	1,877,352	61,820	0	0	1,939,172
Public safety:					
Law enforcement and traffic control	1,145,499	2,976,755	22,508	62,462	4,162,208
Fire and rescue services	6,785,193	2,954,330	18,897	41,015	9,761,641
Corrections and detention	5,606,868	5,982	0	1	5,612,851
Inspections	92,532	0	0	(9,463)	83,069
Other protection	227,598	511,201	0	1,112,037	1,850,836
Total public safety	13,857,690	6,448,268	41,405	1,206,052	21,470,605
Public works:					
Sanitation and waste removal	20,191,326	91,175	9,766	11,411	20,284,146
Maintenance of general buildings and grounds	1,902,314	44,319	31,857	8,621	1,923,397
Total public works	22,093,640	135,494	41,623	20,032	22,207,543
Health and welfare:					
Health	38,542	0	0	0	38,542
Mental health and mental retardation	2,671,228	60,298	0	249,525	2,981,051
Welfare and social services	16,971,473	91,094	46,708	(41,272)	16,974,587
Total health and welfare	19,681,243	151,392	46,708	208,253	19,994,180
Parks, recreation and culture:					
Parks and recreation	20,039,531	1,502,959	19,557	3,935,193	25,458,126
Library	18,815,113	11,794	21,573	351,296	19,156,630
Total parks, recreation and culture	38,854,644	1,514,753	41,130	4,286,489	44,614,756
Community development:					
Planning, community development and economic development	9,571,801	46,882	0	(25,362)	9,593,321
Environmental management	84,528	0	14,146	(9,800)	60,582
Cooperative extension program	3,021	0	0	0	3,021
Total community development	9,659,350	46,882	14,146	(35,162)	9,656,924
Miscellaneous:					
Miscellaneous	22,717	13,079,264	3,626	(3,303,848)	9,794,507
Total miscellaneous	22,717	13,079,264	3,626	(3,303,848)	9,794,507
Total general fixed assets allocation to function	164,902,487	22,990,413	993,920	2,511,772	189,410,752
Construction in progress	15,360,015	16,210,943	0	(2,511,772)	29,059,186
Total general fixed assets	<u>\$ 180,262,502</u>	<u>\$ 39,201,356</u>	<u>\$ 993,920</u>	<u>\$ 0</u>	<u>\$ 218,469,938</u>

COUNTY OF LOUDOUN, VIRGINIA

DETAILED SCHEDULE OF TREASURER'S ACCOUNTABILITY **

At June 30, 2001

CREDITS:

Balance of County funds-Schedule 5	\$ 267,332,776
Balance of County funds with fiscal agents and trustees	57,205,025
Balance of Commonwealth funds-Schedule 6	<u>0</u>

Total Credits **\$ 324,537,801**

DEBITS:

Cash on hand:	\$ 32,577
Cash in banks (Book value):	1,794,204

Time Deposits-Nonpooled:

Middleburg Bank, Middleburg, Virginia	129,801
F & M Bank of Winchester, Leesburg, Virginia	35,438
First Union National Bank of Virginia, Leesburg, Virginia	2,125,027
BB & T Bank, Purcellville, Virginia	849,579
SunTrust Bank, Leesburg, Virginia	551,171
Wachovia Bank, Leesburg, Virginia	11,526
Community Bank of Northern Virginia	45,385

Time Deposits-Pooled:

Community Bank of Northern Virginia	5,000,000
First Union National Bank of Virginia, Leesburg, Virginia	3,000,000
BB & T Bank, Purcellville, Virginia	13,000,000
Wachovia Bank, Leesburg, Virginia	2,000,000
Bank of America, Leesburg, Virginia	2,000,000
SunTrust Bank, Leesburg, Virginia	12,793,361
Middleburg Bank, Middleburg, Virginia	14,000,000
NationsBank Safekeeping	116,578,840
Local Government Investment Pool	93,385,867

Fiscal agent and trustee accounts:

Ixthos	2,500
Mid Atlantic Medical Services, Inc. (MAMSI)	531,881
SunTrust Bank, Richmond, Virginia	5,384,165
Virginia Department of Transportation	3,750
Ridgetop Circle	31,333
Trailview at Cardinal Park	29,396
Hartford Life Insurance Company	6,889,440
Landin Administrators, Richmond, Virginia	65,000
Landin Administrators, Richmond, Virginia	102,179
Northern Virginia Transportation Commission	9,041,743
State Treasurer's Non-Arbitrage Program	<u>35,123,638</u>

Total Debits **\$ 324,537,801**

** This schedule includes amounts from the Primary Government and Schools. These figures do not include the Loudoun County Sanitation Authority.

<div>COUNTY OF LOUDOUN, VIRGINIA</div> <div>Schedule 5</div> <div>Schedule of the Treasurer's Accountability to the County - Reporting Entity</div> <div>Year Ended June 30, 2001</div>									
	Governmental Funds				Proprietary Funds	Fiduciary Funds	Totals Primary	Component Unit	Totals Reporting
	General	Special Revenue	Capital Projects	Debt Service	Internal Service	Trust and Agency	Government (Memorandum Only)	School Board	Entity (Memorandum Only)
Balance July 1, 2000	\$ 81,410,050	\$ 4,708,376	\$ 45,923,348	\$ 2,258,861	\$ 13,325,234	\$ 42,518,167	\$ 190,144,036	\$ 12,260,288	\$ 202,404,324
Receipts:									
General property taxes	254,348,088	6,156,390	0	0	0	0	260,504,478	0	260,504,478
Other local taxes	60,498,486	3,776,609	63,892	0	0	729,650	65,068,637	0	65,068,637
Permits and licenses	14,519,685	0	0	0	0	0	14,519,685	0	14,519,685
Intergovernmental	55,649,004	2,452,627	1,562,620	0	0	4,866	59,669,117	74,041,428	133,710,545
Charges for services	6,032,609	27,897	3,070	0	35,654,135	0	41,717,711	6,549,807	48,267,518
Fines and forfeitures	1,546,259	0	0	0	0	0	1,546,259	0	1,546,259
Use of money and property	9,335,056	79,678	1,250	2,591,081	125,789	2,744,210	14,877,064	353,300	15,230,364
Miscellaneous	321,785	14,589	21,493	0	0	13,129,909	13,487,776	1,415,978	14,903,754
Recovered costs	4,659,997	448,061	188,847	0	0	0	5,296,905	1,339,398	6,636,303
Non-revenue receipts	387,289	0	0	0	36,958	0	424,247	0	424,247
Lease/Purchase Financing	0	0	0	0	0	0	0	5,670,000	5,670,000
Proceeds from indebtedness	0	0	0	117,060,000	0	0	117,060,000	0	117,060,000
Total receipts	<u>407,298,258</u>	<u>12,955,851</u>	<u>1,841,172</u>	<u>119,651,081</u>	<u>35,816,882</u>	<u>16,608,635</u>	<u>594,171,879</u>	<u>89,369,911</u>	<u>683,541,790</u>
Total receipts and balance	<u>488,708,308</u>	<u>17,664,227</u>	<u>47,764,520</u>	<u>121,909,942</u>	<u>49,142,116</u>	<u>59,126,802</u>	<u>784,315,915</u>	<u>101,630,199</u>	<u>885,946,114</u>
Disbursements:									
Warrants issued	148,365,419	14,994,053	33,425,002	0	38,925,721	3,653,377	239,363,572	329,675,414	569,038,986
Retirement of indebtedness	0	0	0	29,844,863	0	0	29,844,863	3,566,140	33,411,003
Interest and other debt costs	0	0	0	15,974,187	0	0	15,974,187	189,162	16,163,349
Total disbursements	<u>148,365,419</u>	<u>14,994,053</u>	<u>33,425,002</u>	<u>45,819,050</u>	<u>38,925,721</u>	<u>3,653,377</u>	<u>285,182,622</u>	<u>333,430,716</u>	<u>618,613,338</u>
Interfund transfers:									
Transfers in (out)	(247,171,791)	6,347,617	29,180,279	(69,070,304)	4,139,171	(5,726,017)	(282,301,045)	282,301,045	0
Balance June 30, 2001	<u>\$ 93,171,098</u>	<u>\$ 9,017,791</u>	<u>\$ 43,519,797</u>	<u>\$ 7,020,588</u>	<u>\$ 14,355,566</u>	<u>\$ 49,747,408</u>	<u>\$ 216,832,248</u>	<u>\$ 50,500,528</u>	<u>\$ 267,332,776</u>

COUNTY OF LOUDOUN, VIRGINIA

SCHEDULE OF TREASURER'S ACCOUNTABILITY TO THE COMMONWEALTH

At June 30, 2001

	Balance 07/01/00	Receipts	Remittances	Balance 06/30/01
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Other Collections:

Sheriff's Fees

\$ 0 \$ 134,570 \$ 134,570 \$ 0**Total**\$ 0 \$ 134,570 \$ 134,570 \$ 0

Compliance Section



**Report of independent public accountants
on compliance and on internal control over financial reporting**

To the Honorable Members
of the Board of Supervisors,
County of Loudoun, Virginia:

We have audited the general-purpose financial statements of the County of Loudoun, Virginia (the County) as of and for the year ended June 30, 2001, and have issued our report thereon dated October 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* (1999 Revision), issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Supervisors, County management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

October 19, 2001
Vienna, Virginia



**Report of independent public accountants
on compliance with requirements applicable to each major program
and on internal control over compliance in accordance with OMB Circular A-133**

To the Honorable Members
of the Board of Supervisors,
County of Loudoun, Virginia:

Compliance

We have audited the compliance of the County of Loudoun, Virginia (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* (Revised March 2001) that are applicable to each of its major federal programs for the year ended June 30, 2001. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County of Loudoun, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Supervisors, County management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP |

October 19, 2001
Vienna, Virginia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year Ended June 30, 2001

	Federal Catalog Number	Receivable/ (Deferred) Balance 01-Jul-00	RECEIPTS		Total Federal and State Expenditures	Receivable/ (Deferred) Balance 30-Jun-01
			Federal	State		

United States Department of Agriculture:
Pass through Payments:

State Department for the Aging:

Nutrition Program for the Elderly	10.570	\$ 0	\$ 35,605	\$ 0	\$ 35,605	\$ 0
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State Department of Agriculture:

Food Distribution						
Non-cash Commodities	10.550	(146)	0	0	146	0
Non-cash Commodities	10.555	(86,493)	399,502	0	364,305	(121,690)

State Department of Juvenile Justice:

National School Lunch Program	10.555	0	27,577	0	27,577	0
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State Department of Social Services:

Matching Grants for Food Stamp Program	10.561	55,816	430,020	154,529	588,184	59,451
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State Department of Education:

School Breakfast Program	10.553	0	39,437	0	39,437	0
Special Milk Program for Children	10.556	0	45,506	0	45,506	0
National School Lunch Program	10.555	42,830	951,626	0	1,129,490	220,694
Total United States Department of Agriculture		<u>12,007</u>	<u>1,929,273</u>	<u>154,529</u>	<u>2,230,250</u>	<u>158,455</u>

**United States Department of Health and
Human Services:**

Direct Payments:

Administration for Children, Youth and Families - Homeless and Runaway Youth	93.623	(33,655)	0	0	2,400	(31,255)
Head Start	93.600	62,550	495,733	0	553,400	120,217

Pass through Payments:

**State Department of Mental Health and
Mental Retardation:**

Projects for Assistance in Transition from Homelessness (PATH)	93.150	0	28,122	0	28,122	0
Community Mental Health Services	93.958	0	13,907	0	13,907	0
Prevention and Treatment of Drug Abuse	93.959	(61,167)	376,705	0	390,049	(47,823)

State Department for the Aging:

Special Programs for the Aging- Title III, Parts A and B - Grants for Supportive Services and Senior Centers	93.044	0	44,165	0	44,165	0
Title III, Part C-Nutrition Services	93.045	0	48,002	0	48,002	0
Title III, Part D-In-Home Services	93.046	0	0	0	0	0
Special Programs for Aging- Title IV-Training and Discretionary	93.048	0	0	0	0	0
Special Programs for the Aging Title VII Chapter 3 for Prevention of Elder Abuse, Neglect	93.041	0	578	0	578	0
Special Programs for the Aging- Title III, Part F	93.043	0	5,327	0	5,327	
Home Care Financing Research	93.779	1,312	14,356	0	13,044	0

Northern Virginia Planning District Commission:

HIV Emergency Relief Formula	93.915	0	0	0	0	0
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COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year Ended June 30, 2001

	Federal Catalog Number	Receivable/ (Deferred) Balance 01-Jul-00	RECEIPTS		Total Federal and State Expenditures	Receivable/ (Deferred) Balance 30-Jun-01
			Federal	State		
United States Department of Health and Human Services:						
Pass through Payments:						
State Department of Social Services:						
Foster Care-Title IV-E	93.658	71,652	762,861	56,293	738,329	(9,173)
Adoption Assistance	93.659	6,976	88,419	53,546	145,387	10,398
Child Care and Development	93.596	49,600	596,849	428,881	1,137,055	160,925
Child Welfare Services	93.645	2,957	28,707	5,741	33,713	2,222
Child Care Assistance	93.575	(10,024)	639,494	0	649,782	264
Social Services Block Grant (Includes General Administration, Purchased Services, Day Care and Preplacement/F.C)	93.667	63,588	405,452	4,613	414,263	67,786
Low-Income Home Energy Assistance	93.568	0	4,092	0	4,092	0
Refugee and Entrant Assistance						
State Administered Program	93.566	348	5,809	0	5,866	405
Discretionary Grants	93.576	0			0	0
Independent Living	93.674	900	3,600	0	3,170	470
State Children's Insurance Program	93.767	0	12,684	6,534	19,218	0
Medicaid Assistance	93.778	33,909	261,522	91,036	355,957	37,308
Temporary Assistance to Needy Families	93.558	45,578	321,105	162,704	479,291	41,060
State Department of Housing and Community Development:						
Child Care and Development Block Grant- Child Care for Homeless Children	93.575	2,783	2,782	0	(1)	0
Total United States Department of Health and Human Services		237,307	4,160,271	809,348	5,085,116	352,804
United States Department of Housing and Urban Development:						
Direct Payments:						
Section 8 - Housing Assistance Payments	14.195	(8,724)	5,404	0	10,862	(3,266)
Section 8 - Housing Assistance Payments	14.855	10,698	546,920	0	29,574	(506,648)
Transitional Housing Assistance	14.235	(4,657)	92,381	0	182,149	85,111
Pass through Payments:						
Virginia Housing Development Authority:						
Community Development Block Grant	14.228	0	0	0	0	0
Section 8 - Housing Assistance Payments	14.195	0	308,116	0	313,951	5,835
State Department of Housing and Community Development						
Emergency Shelter	14.231	6,650	11,650	0	15,693	10,693
Home Investment Partnerships Program	14.239	0	52,998	0	54,467	1,469
Northern Virginia Planing District Commission						
Housing Opportunities for Persons With Aids	14.241	40,934	66,306	0	43,088	17,716
Total United States Department of Housing and Urban Development		44,901	1,083,775	0	649,784	(389,090)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year Ended June 30, 2001

	Federal Catalog Number	Receivable/ (Deferred) Balance 01-Jul-00	RECEIPTS		Total Federal and State Expenditures	Receivable/ (Deferred) Balance 30-Jun-01
			Federal	State		
United States Department of Justice:						
Direct Payments:						
Bulletproof Vest Partnership Program	16.607	0	0	0	0	0
Public Safety and Community Protection	16.726	747	46,162	0	45,415	0
LLE Block Grant	16.596	(20,743)	24,972	0	45,715	0
Pass through Payments:						
State Department of Criminal Justice Services:						
Juvenile Accountability Incentive Block Grant	16.523	1,951	15,417	0	15,368	1,902
Juvenile Justice and Delinquency Prevention	16.540	30,776	124,070	0	131,346	38,052
Title V Delinquency Prevention	16.548	19,536	19,536	0	0	0
Crime Victim Assistance	16.575	1,702	1,362	340	0	0
Drug Control and System Improvement	16.579	66,971	118,140	0	45,282	(5,887)
Violence Against Women	16.588	8,317	33,524	0	33,697	8,490
Total United States Department of Justice		109,257	383,183	340	316,823	42,557
United States Department of Labor:						
Pass through Payments:						
State Department for the Aging:						
Senior Community Service Employment Program	17.235	6,764	6,764	0	0	0
Northern Virginia Manpower Consortium:						
Jobs Training Partnership Act	17.250	11,820	46,396	0	65,546	30,970
Total United States Department of Labor		18,584	53,160	0	65,546	30,970
United States Institute of Museum and Library Services:						
Pass through Payments:						
The Library of Virginia						
Public Library Construction and Technology Enhancement	45.310	(3,725)	2,500	0	4,100	(2,125)
Total United States Institute of Museum and Library Services		(3,725)	2,500	0	4,100	(2,125)
United States Department of Transportation, Federal Highway Administration:						
Pass through Payments:						
State Department of Transportation:						
Highway Planning and Construction	20.205	70,943	122,150	0	429,529	378,322
State Department of Motor Vehicles:						
State and Community Highway Safety	20.600	4,539	114,808	0	110,068	(201)
0.08 Traffic Enforcement	20.605	36,912	44,506	0	7,688	94
Total United States Department of Transportation		112,394	281,464	0	547,285	378,215

COUNTY OF LOUDOUN, VIRGINIA

Page 4 of 4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year Ended June 30, 2001

	Federal Catalog Number	Receivable/ (Deferred) Balance 01-Jul-00	RECEIPTS		Total Federal and State Expenditures	Receivable/ (Deferred) Balance 30-Jun-01
			Federal	State		
United States - Corporation for National and Community Service						
Direct Payments:						
Retired Seniors' Volunteer Program	94.002	0	26,016	0	26,016	0
Total United States - Corporation for National and Community Service		<u>0</u>	<u>26,016</u>	<u>0</u>	<u>26,016</u>	<u>0</u>
United States Department of Education:						
Direct Payments:						
Impacted Aid	84.041	0	96,005	0	96,005	0
Pass through Payments:						
State Department of Mental Health and Mental Retardation:						
Handicapped Infants and Toddlers	84.181	33,656	110,203	0	108,263	31,716
State Department of Education:						
Adult Education-State Administered Program	84.002	0	64,933	0	67,521	2,588
Educationally Deprived Children- Local Education Agencies	84.010	118,211	520,479	0	571,877	169,609
Special Education - Grants to State	84.027	0	2,293,987	0	2,300,443	6,456
Special Education - Preschool	84.173	88,907	199,886	0	191,003	80,024
Vocational Education-Consumer and Homemaking	84.048	0	208,071	0	208,071	0
Drug-Free Schools and Communities	84.186	524	129,260	0	128,736	0
Eisenhower Professional Development State Gr	84.281	33,957	59,110	0	153,904	128,751
Innovative Education Program Strategies	84.298	0	98,857	0	98,857	0
Goals 2000	84.276	48,509	46,067	0	84,673	87,115
Literacy Challenge Grant	84.318	53,300	53,300	0	0	0
Title VI -Class Size Reduction	84.340	0	189,812	0	343,814	154,002
Total United States Department of Education		<u>377,064</u>	<u>4,069,970</u>	<u>0</u>	<u>4,353,167</u>	<u>660,261</u>
Federal Emergency Management Agency						
Pass through Payments:						
Emergency Management Preparedness Grant	83.552	(29,715)	20,869	0	12,840	(37,744)
Disaster Relief Public Assistance	83.544	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Federal Emergency Management Agency		<u>(29,715)</u>	<u>20,869</u>	<u>0</u>	<u>12,840</u>	<u>(37,744)</u>
Consumer Product Safety Commission:						
Direct Payments:						
Product Safety Testing	87.RD	(11,252)	8,260	0	14,989	(4,523)
Total Consumer Product Safety Commission		<u>(11,252)</u>	<u>8,260</u>	<u>0</u>	<u>14,989</u>	<u>(4,523)</u>
National Endowment of Humanities						
Direct Payments:						
Promotion of the Humanities	45.164	0	1,000	0	0	(1,000)
Total National Endowment of Humanities		<u>0</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>(1,000)</u>
Total		\$ 866,822	\$ 12,019,741	\$ 964,217	\$ 13,305,916	\$ 1,188,780

County of Loudoun, Virginia

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2001

1. Scope of Audit Pursuant to OMB Circular A-133:

All Federal grant operations of the County of Loudoun, Virginia, (the County) are included in the scope of the U.S. Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the *OMB Circular A-133 Compliance Supplement* (Revised March 2001, the Compliance Supplement).

Compliance testing of the applicable Federal programs was performed of the County's adherence to the following requirements, as described in the Compliance Supplement, for the Single Audit of the year ended June 30, 2001.

- | | |
|--|--|
| • Activities Allowed or Unallowed | • Period of Availability of Federal Funds |
| • Allowable Costs/Cost Principles | • Procurement and Suspension and Debarment |
| • Cash Management | • Program Income |
| • Davis-Bacon Act | • Reporting |
| • Eligibility | • Subrecipient Monitoring |
| • Equipment and Real Property Management | • Special Tests and Provisions |
| • Matching, Level of Effort, Earmarking | |

The County qualified as a low risk auditee as defined in the Compliance Supplement. As a result, the scope of the Single Audit included the following major programs:

Child Nutrition Cluster

10.553 - School Breakfast Program

10.553 - National School Lunch Program

10.556 - Special Milk Program for Children

20.206 - Highway Planning and Construction

84.010 - Educationally Deprived Children-Local Education Agencies

93.658 - Foster Care -Title IV -E

Expenditures for these programs totaled \$3,289,757 (or approximately 27% of total Federal expenditures) which exceeds the 25% of total Federal expenditure threshold, providing sufficient testing levels for the Single Audit of the year ended June 30, 2001.

The Department of Health and Human Services is the County's oversight agency for the Single Audit.

2. Fiscal Period Audited:

Single Audit testing procedures were performed for selected Federal program transactions occurring during the fiscal year ended June 30, 2001.

3. Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grants to the County which had expenditure activity during the year ended June 30, 2001. This schedule has been prepared on the modified accrual basis of accounting. Grant revenues and expenditures are recorded for financial reporting purposes when the County has met the qualifications for the respective grants. Several programs are funded jointly by Commonwealth of Virginia appropriations and Federal funds. Costs incurred in programs partially funded by Federal grants are applied against Federal grant funds to the extent of revenue available when they apply to the grant. Grant revenues are equivalent to grant expenditures.

4. Findings of Noncompliance and Audit Results:

There were no findings of potential noncompliance identified in connection with the Single Audit for the year ended June 30, 2001. The summary of auditors' results is included In Schedule I.

County of Loudoun, Virginia

Schedule I -Schedule of Current-Year Findings and Questioned Costs

Summary of Auditors' Results

We have audited the general-purpose financial statements of the County of Loudoun, Virginia (the County), as of and for the year ended June 30, 2001, and have issued an unqualified opinion thereon dated October 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* (1999 Revision), issued by the Comptroller General of the United States.

Our audit did not disclose matters of noncompliance which would be considered material to the financial statements of the County, nor did our audit identify material weaknesses in internal controls.

We also issued an unqualified opinion dated October 19, 2001, OR our consideration of the County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* (Revised March 2001) that are applicable to its major Federal programs for the year ended June 30, 2001. The results of our auditing procedures did not disclose instances of noncompliance with those requirements that are required to be reported in accordance with *OMB Circular A-133*.

The Type A programs tested as major Federal programs are as follows:

<u>Program</u>	<u>CFDA No.</u>
Child Nutrition Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Special Milk Program for Children	10.556
Highway Planning and Construction	20.205
Educationally Deprived Children-Local Education Agencies	84.010
Foster Care - Title IV – E	93.658

For the June 30, 2001, Single Audit, the threshold used to distinguish between Type A and Type B programs was \$370,251. The programs listed above were the high risk Type A programs and were therefore tested in this audit. All other Type A programs were determined to be low risk and thus, none were selected for testing. Additionally, no Type B programs were determined to be high risk and thus, none were selected for testing. As discussed in the accompanying notes, the County was determined to be a low risk auditee for the Single Audit of the year ended June 30, 2001, and the 25% threshold required for low risk auditees was met.

Findings of Noncompliance

There were no findings of noncompliance identified during the audit for the year ended June 30, 2001.

County of Loudoun, Virginia

Schedule II -Schedule of Prior-Year Findings

June 30, 2001

There were no findings of noncompliance identified during the audit for the year ended June 30, 2000.

Statistical Section
(Unaudited)

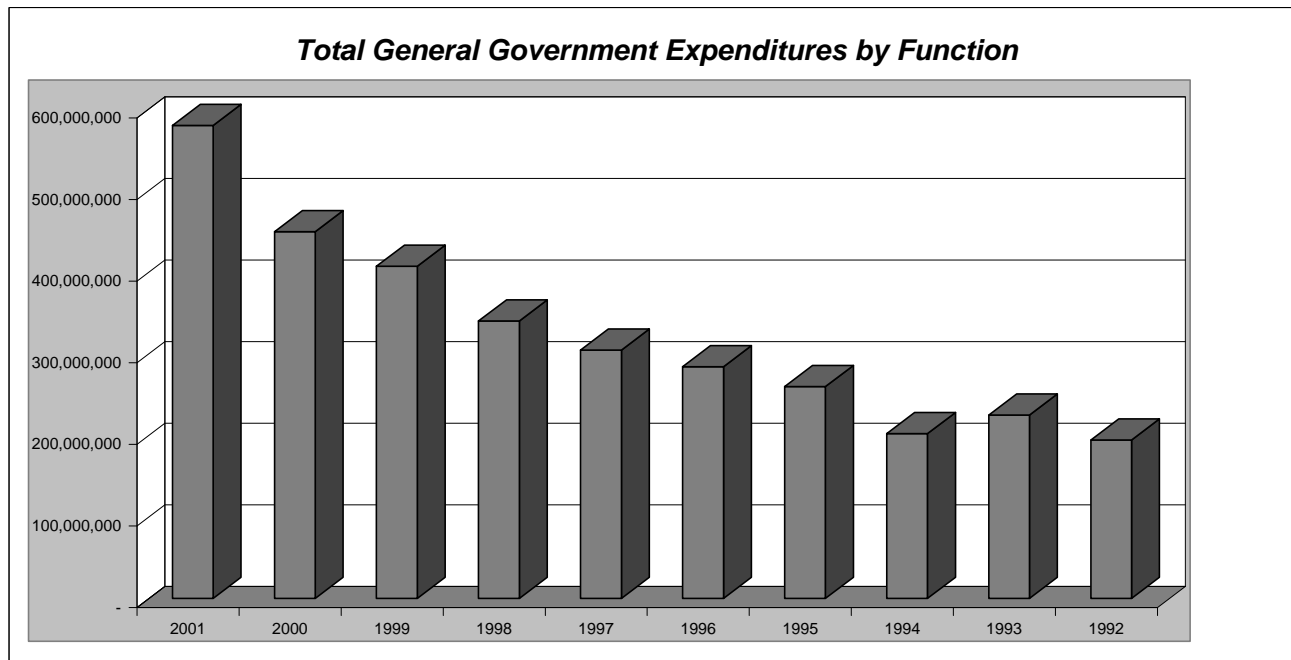
COUNTY OF LOUDOUN, VIRGINIA

Table A

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) (2)

Fiscal Year Ended June 30

FUNCTION	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
General government administration	\$ 27,648,372	\$ 24,241,248	\$ 20,744,764	\$ 19,013,366	\$ 18,720,364	\$ 15,615,157	\$ 15,600,985	\$ 14,918,112	\$ 13,725,483	\$ 13,924,437
Judicial administration	5,288,117	4,438,785	4,341,648	3,782,771	3,466,192	3,002,930	2,662,484	2,606,712	2,609,475	1,782,611
Public safety	45,425,236	36,279,690	29,871,952	27,171,444	25,377,526	22,483,761	20,052,202	18,710,239	18,097,627	17,376,467
Public works	12,221,838	9,378,437	7,819,186	6,198,388	8,524,395	6,801,397	7,267,244	5,667,413	5,575,586	6,665,014
Health and welfare	38,725,515	31,847,435	27,666,110	26,219,142	24,219,079	22,145,605	20,249,676	19,422,114	17,502,318	18,418,537
Education	254,219,073	212,459,950	186,532,501	165,075,150	141,585,782	118,874,496	109,911,627	96,200,465	95,947,561	89,722,583
Parks, recreation and cultural development	21,126,419	16,340,004	14,195,196	12,339,831	10,038,901	9,034,008	8,110,352	7,831,048	7,897,090	7,683,026
Community development	15,405,328	10,913,550	10,355,101	8,907,896	7,369,562	8,359,120	7,539,633	7,550,333	7,807,284	8,429,729
Capital Projects	117,596,093	69,886,618	78,322,033	49,068,831	44,491,651	59,659,033	54,676,974	16,936,202	10,032,896	16,662,422
Debt service	41,876,234	33,400,618	27,203,200	22,230,447	20,670,636	17,912,168	13,727,955	12,226,515	45,381,422	13,299,064
Miscellaneous	0	0	0	0	0	0	0	0	0	109,506
Total Expenditures	\$ 579,532,225	\$ 449,186,335	\$ 407,051,691	\$ 340,007,266	\$ 304,464,088	\$ 283,887,675	\$ 259,799,132	\$ 202,069,153	\$ 224,576,742	\$ 194,073,396



- (1) Includes Governmental Funds Only
 (2) Includes Primary Governmental and Component unit

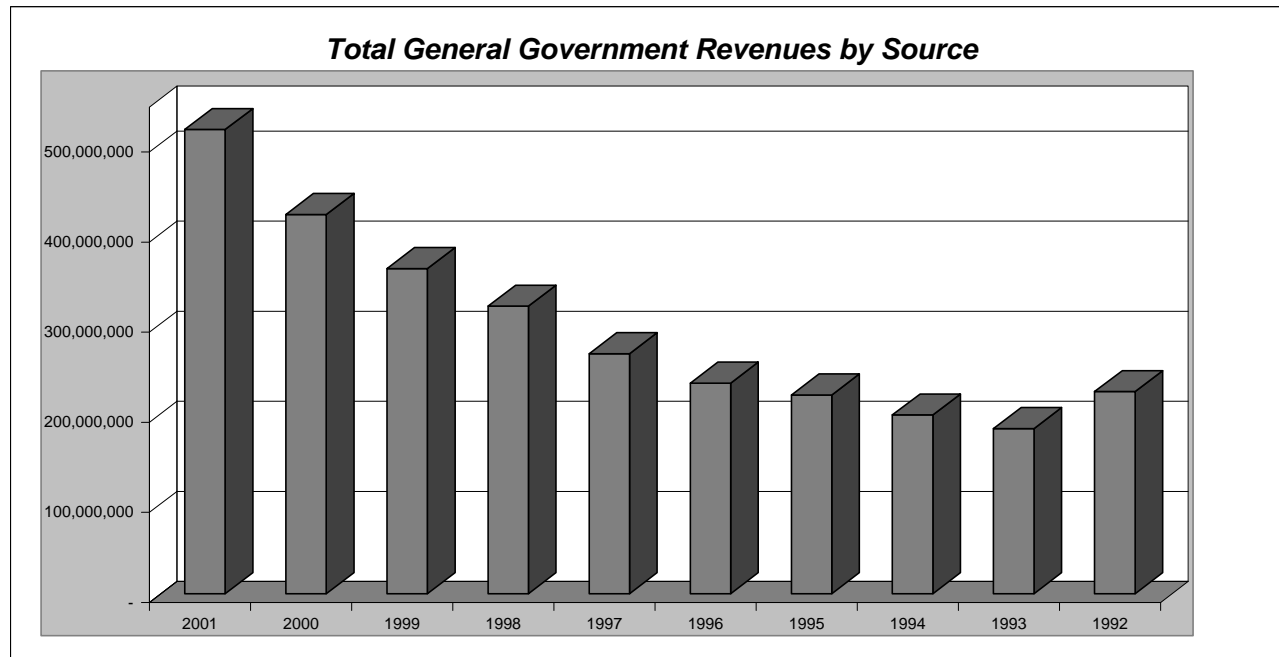
COUNTY OF LOUDOUN, VIRGINIA

Table B

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) (2)

Fiscal Year Ended June 30

SOURCE	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
General property taxes	\$ 261,016,542	\$ 219,302,974	\$ 199,283,712	\$ 190,488,626	\$ 154,920,526	\$ 140,209,501	\$ 129,167,286	\$ 119,414,090	\$ 112,439,844	\$ 158,219,636
Other local taxes	64,359,557	51,632,959	41,337,376	34,831,429	29,938,269	26,132,406	23,251,537	21,386,532	18,761,310	16,135,499
Permits and licenses	14,519,685	13,408,218	12,387,701	8,840,742	6,804,965	6,069,271	5,462,920	5,274,541	3,810,229	3,478,994
Intergovernmental	137,535,530	108,685,362	83,552,768	63,226,514	56,588,740	45,007,518	41,142,083	38,183,107	35,102,058	33,327,879
Charges for services	15,037,511	12,266,366	10,905,627	9,331,527	7,452,331	7,568,668	8,552,037	8,395,315	8,396,411	7,837,798
Fines and forfeitures	1,546,259	1,474,405	1,420,120	1,261,250	772,352	706,344	693,543	799,655	812,540	802,525
Use of money and property	12,360,365	8,765,797	6,250,109	5,629,516	4,446,572	5,142,082	6,043,802	2,682,727	1,812,392	2,602,598
Miscellaneous	1,773,845	363,468	507,819	740,460	1,048,856	644,953	4,584,229	495,016	295,582	495,513
Recovered costs	6,760,979	5,156,306	5,295,772	4,923,613	4,464,698	2,320,869	1,702,009	1,840,355	1,732,952	1,383,864
Non-revenue receipts	387,289	20,220	76,100	30,175	8,400	1,150	1,150	66,636	244,682	433
	<u>\$ 515,297,562</u>	<u>\$ 421,076,075</u>	<u>\$ 361,017,104</u>	<u>\$ 319,303,852</u>	<u>\$ 266,445,709</u>	<u>\$ 233,802,762</u>	<u>\$ 220,600,596</u>	<u>\$ 198,537,974</u>	<u>\$ 183,408,000</u>	<u>\$ 224,284,739</u>



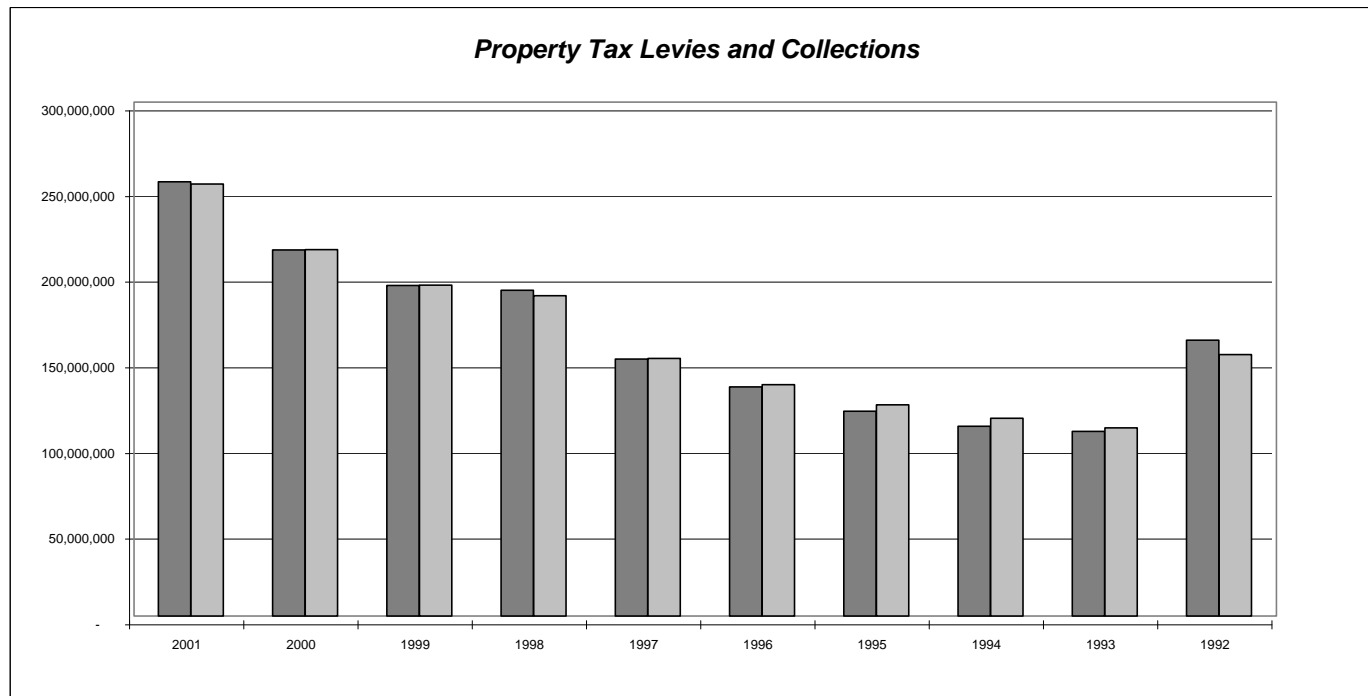
- (1) Includes Governmental Funds Only.
 (2) Includes Primary Governmental and Component unit.

COUNTY OF LOUDOUN, VIRGINIA

Table C

PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEAR	2001	2000	1999	(3) 1998	1997	1996	1995	1994	1993	(2) 1992
Total tax levy (1)	\$ 253,494,862	\$ 213,776,378	\$ 192,945,367	\$ 190,134,622	\$ 150,087,601	\$ 133,841,243	\$ 119,643,977	\$ 110,808,382	\$ 107,730,936	\$ 160,936,679
Current tax collections (1)	244,158,657	209,359,885	186,353,341	183,655,551	146,533,024	130,671,688	116,353,827	106,856,280	101,377,480	149,420,265
Percent of levy collected	96.32	97.93	96.58	96.59	97.63	97.63	97.25	96.43	94.10	92.84
Delinquent tax collections	8,106,506	4,513,454	6,789,482	3,291,722	3,863,631	4,346,380	6,889,465	8,598,066	8,496,242	3,241,840
Total tax collections	252,265,163	213,873,339	193,142,823	186,947,273	150,396,655	135,018,068	123,243,292	115,454,346	109,873,722	152,662,105
Percent of total tax collected to tax levy	99.51	100.05	100.10	98.32	100.21	100.88	103.01	104.19	101.99	94.86



(1) Exclusive of penalties and interest.

(2) Tax levy includes \$45,169,376 for first half of 1992 real estate taxes.

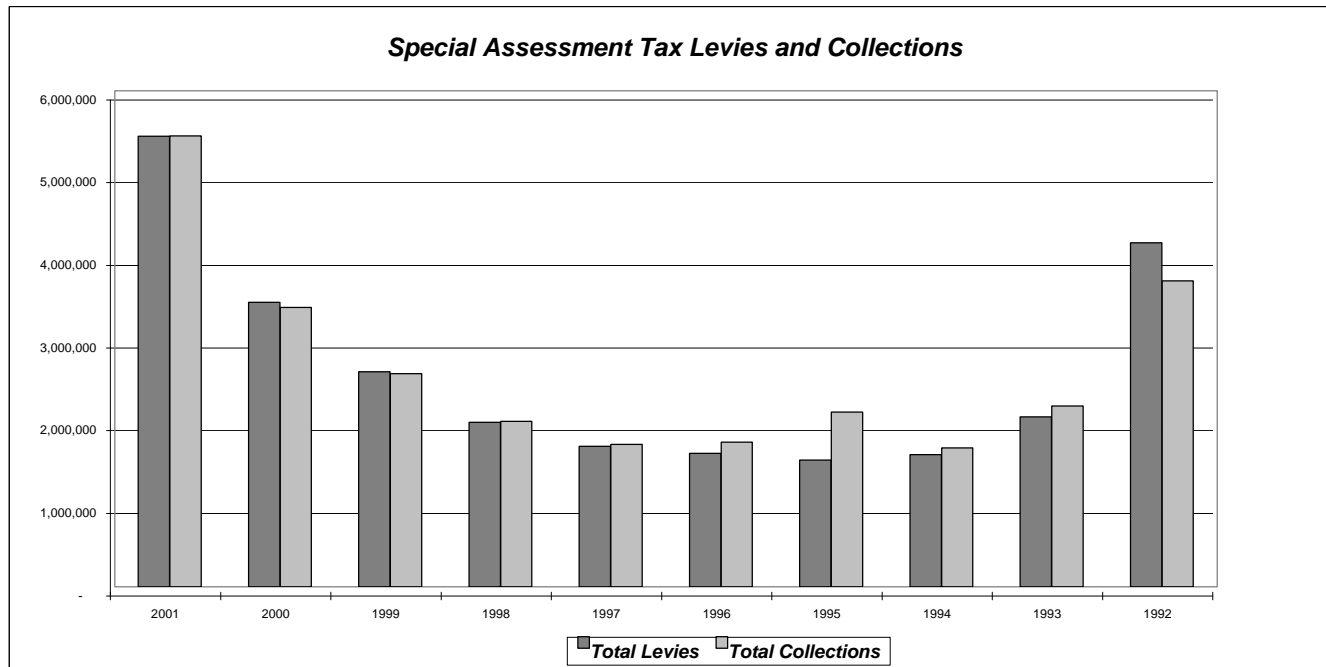
(3) Tax levy includes \$ 20,983,233 for first half of 1998 personal property tax.

COUNTY OF LOUDOUN, VIRGINIA

Table D

SPECIAL ASSESSMENT PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEAR	2001	2000	1999	1998	1997	1996	1995	1994	1993	(2) 1992
Total tax levy (1)	\$ 5,451,097	\$ 3,440,379	\$ 2,603,110	\$ 1,991,064	\$ 1,698,037	\$ 1,613,141	\$ 1,533,540	\$ 1,597,041	\$ 2,053,601	\$ 4,159,840
Current tax collections (1)	5,382,187	3,319,722	2,541,137	1,962,597	1,683,879	1,577,984	1,432,548	1,450,386	1,855,083	3,495,763
Percent of levy collected	98.74	96.49	97.62	98.57	99.17	97.82	93.41	90.82	90.33	84.04
Delinquent tax collections	71,462	60,110	38,258	39,984	37,942	171,576	680,240	228,483	331,270	204,813
Total tax collections	5,453,649	3,379,832	2,579,395	2,002,581	1,721,821	1,749,560	2,112,788	1,678,869	2,186,353	3,700,576
Percent of total tax collected to tax levy	100.05	98.24	99.09	100.58	101.40	108.46	137.77	105.12	106.46	88.96



(1) Exclusive of penalties and interest.

(2) Tax levy includes \$1,214,963 for first half of 1992.

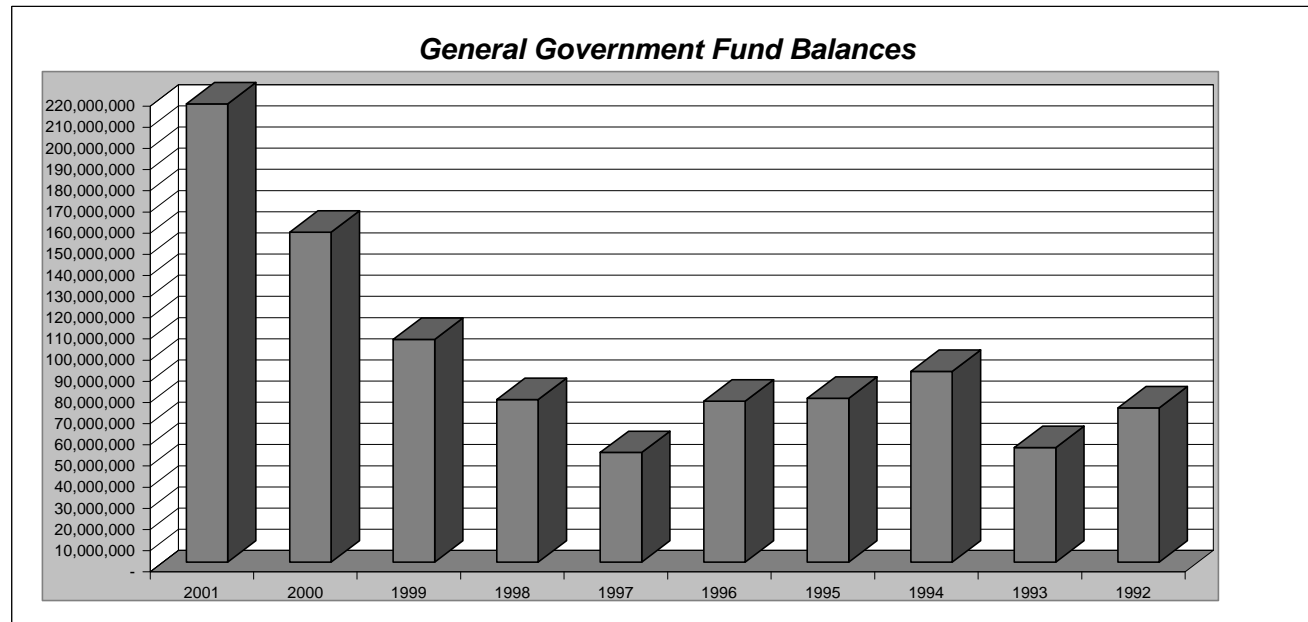
COUNTY OF LOUDOUN, VIRGINIA

Table E

GENERAL GOVERNMENTAL FUND BALANCES (1) (2)

Fiscal Year Ended June 30

FUND BALANCE	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Reserved for:										
Prepaid expenses	\$ 163,149	\$ 156,179	\$ 1,012,583	\$ 809,754	\$ 1,356,786	\$ 49,974	\$ 38,118	\$ 1,185,322	\$ 27,680	\$ 88,075
Encumbrances	104,765,702	61,510,139	75,130,756	36,721,968	23,563,072	37,355,520	14,191,479	24,771,265	10,949,836	8,326,342
Advance to Central Service Fund	0	0	0	0	0	0	33,500	33,500	33,500	33,500
Noncurrent notes and loans receivable	2,164,774	2,855,945	2,981,887	2,918,696	1,637,682	1,348,873	0	0	0	0
Unreserved										
Designated for:										
Appropriations	39,802,378	126,123,191	34,055,632	27,241,097	5,369,047	6,661,194	20,568,130	22,823,724	9,684,023	11,145,923
Fiscal cash liquidity	51,529,699	42,660,011	36,101,711	30,049,287	26,644,318	23,530,777	21,576,642	19,555,683	18,314,840	17,683,751
Future debt service	17,767,588	10,507,365	7,479,491	4,197,489	4,197,489	5,921,139	7,091,059	3,528,690	4,581,662	13,972,196
Future capital projects	323,455	323,455	323,455	859,728	859,728	2,917,050	0	0	0	14,230,976
Cafeteria sales	577,587	437,561	731,059	890,196	827,908	839,404	975,483	1,079,246	1,145,438	703,368
Undesignated	(653,520)	(88,694,540)	(52,528,449)	(26,845,938)	(12,643,299)	(2,494,805)	13,013,330	17,174,357	9,360,004	6,661,334
	<u>\$ 216,440,812</u>	<u>\$ 155,879,306</u>	<u>\$ 105,288,125</u>	<u>\$ 76,842,277</u>	<u>\$ 51,812,731</u>	<u>\$ 76,129,126</u>	<u>\$ 77,487,741</u>	<u>\$ 90,151,787</u>	<u>\$ 54,096,983</u>	<u>\$ 72,845,465</u>



- (1) Includes Governmental Funds Only.
 (2) Includes Primary Governmental and Component unit.

COUNTY OF LOUDOUN, VIRGINIA

Table F

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2001	\$ 21,128,020,500	\$ 23,015,272,000	\$ 2,381,723,570	\$ 2,091,424,554	\$ 23,509,744,070	\$ 25,106,696,554	93.6%
2000	16,160,744,400	17,066,744,400	1,921,567,637	1,839,574,139	18,082,312,037	18,906,318,539	95.6%
1999	13,337,307,000	14,557,339,100	1,590,787,060	1,449,124,512	14,928,094,060	16,006,463,612	93.3%
1998	11,771,573,700	12,962,573,700	1,258,348,378	1,229,786,346	13,029,922,078	14,192,360,046	91.8%
1997	10,677,620,500	11,893,096,100	1,362,039,834	1,516,748,145	12,039,660,334	13,409,844,245	89.8%
1996	10,300,853,000	11,127,412,600	1,260,370,103	1,260,370,103	11,561,223,103	12,387,782,703	93.3%
1995	9,529,000,000	10,405,720,700	1,224,533,268	1,224,533,268	10,753,533,268	11,630,253,968	92.5%
1994	8,738,821,580	10,337,805,791	1,064,150,140	1,064,150,140	9,802,971,720	11,401,955,931	86.0%
1993	8,689,071,710	10,285,023,344	785,386,197	785,386,197	9,474,457,907	11,070,409,541	85.6%
1992	9,486,005,760	11,292,714,330	668,245,930	668,245,930	10,154,251,690	11,960,960,260	84.9%

(1) 2001 Estimated Actual Value of Personal Property includes exonerations to June 30, 2001.

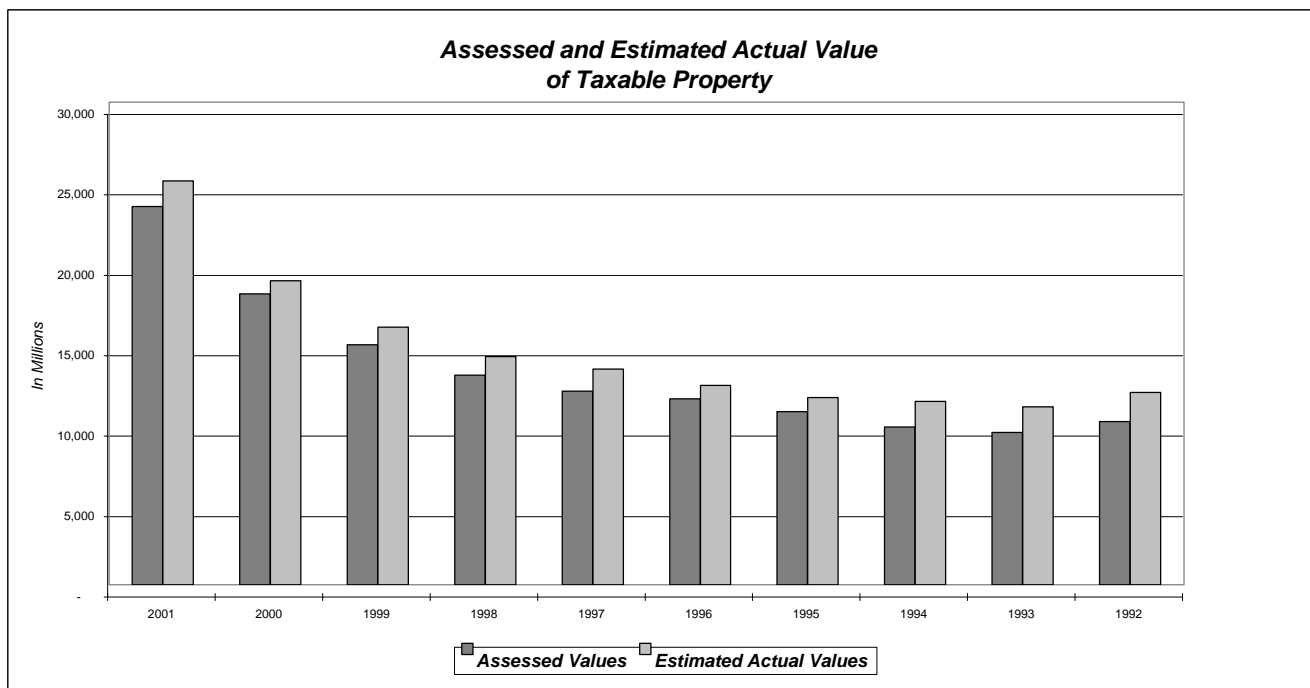
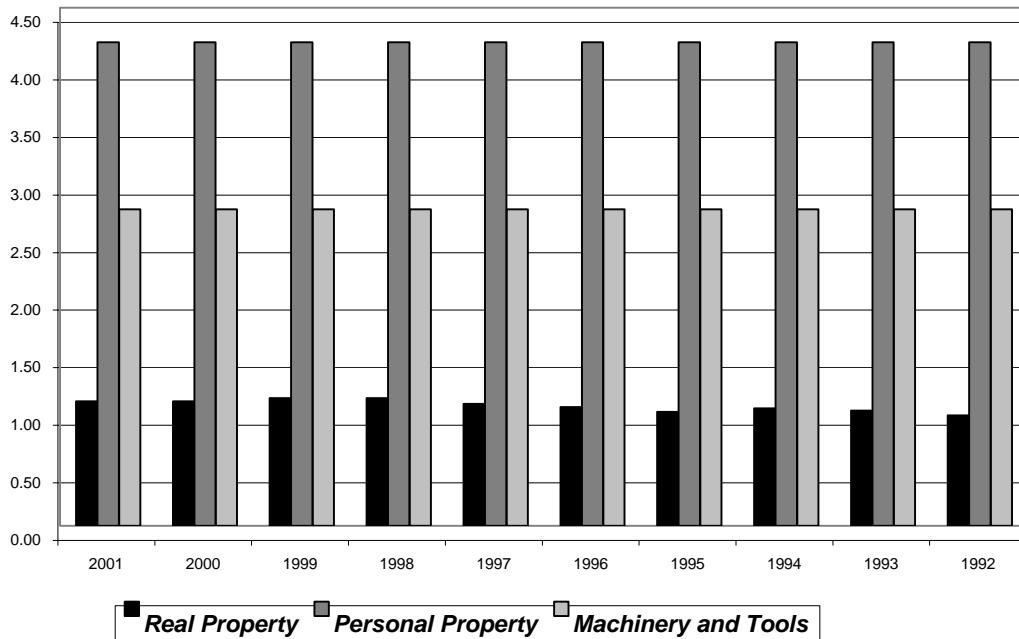


Table G

COUNTY OF LOUDOUN, VIRGINIA

PROPERTY TAX RATES (PER \$100 OF ASSESSED VALUE)

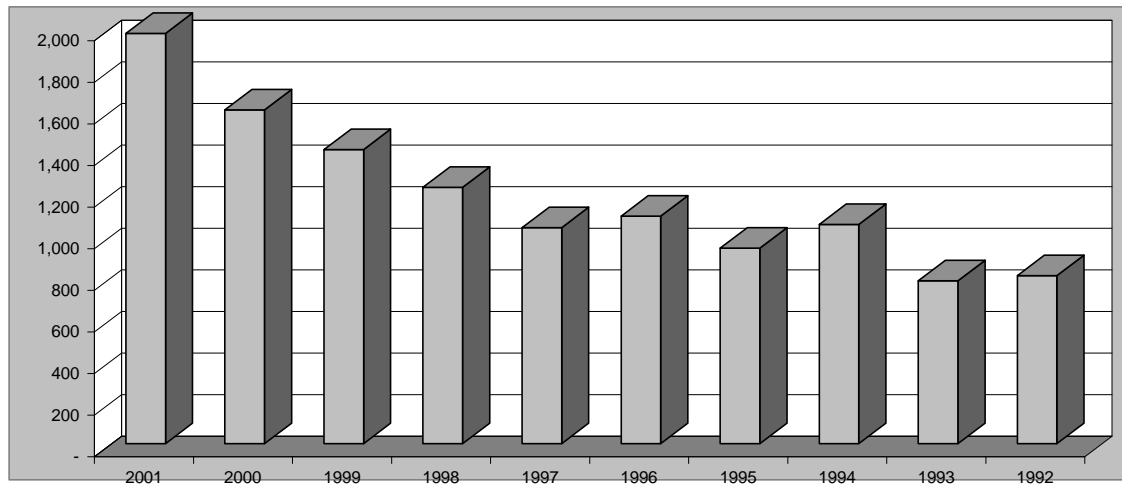
Year	Real Estate	Personal Property	Machinery and Tools	Public Utilities	
				Real Estate	Personal Property
2001	\$ 1.08	\$ 4.20	\$ 2.75	\$ 1.08	\$ 4.20
2000	1.08	4.20	2.75	1.08	4.20
1999	1.11	4.20	2.75	1.11	4.20
1998	1.11	4.20	2.75	1.11	4.20
1997	1.06	4.20	2.75	1.06	4.20
1996	1.03	4.20	2.75	1.03	4.20
1995	0.99	4.20	2.75	0.99	4.20
1994	1.02	4.20	2.75	1.02	4.20
1993	1.00	4.20	2.75	1.00	4.20
1992	0.96	4.20	2.75	0.96	4.20

Property Tax Rates per \$100

COUNTY OF LOUDOUN, VIRGINIA

RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Fiscal Year	Population (1)	Total Assessed Value	Gross Bonded Debt (2)	Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2001	189,400	\$ 23,509,744,070	\$ 373,561,205	\$ 0	\$ 373,561,205	1.59%	\$ 1,972.34
2000	172,173	18,082,312,037	276,362,000	0	276,362,000	1.53%	1,605.14
1999	154,549	14,928,094,060	218,520,000	0	218,520,000	1.46%	1,413.92
1998	136,485	13,029,922,078	168,146,500	0	168,146,500	1.29%	1,231.98
1997	127,410	12,039,660,334	132,322,000	0	132,322,000	1.10%	1,038.55
1996	119,550	11,561,223,103	130,842,500	0	130,842,500	1.13%	1,094.46
1995	112,843	10,753,533,268	106,150,000	0	106,150,000	0.99%	940.69
1994	104,966	9,802,971,720	110,645,000	0	110,645,000	1.13%	1,054.10
1993	97,779	9,474,457,907	76,544,000	0	76,544,000	0.81%	782.83
1992	92,337	10,154,251,690	74,534,500	0	74,534,500	0.73%	807.20

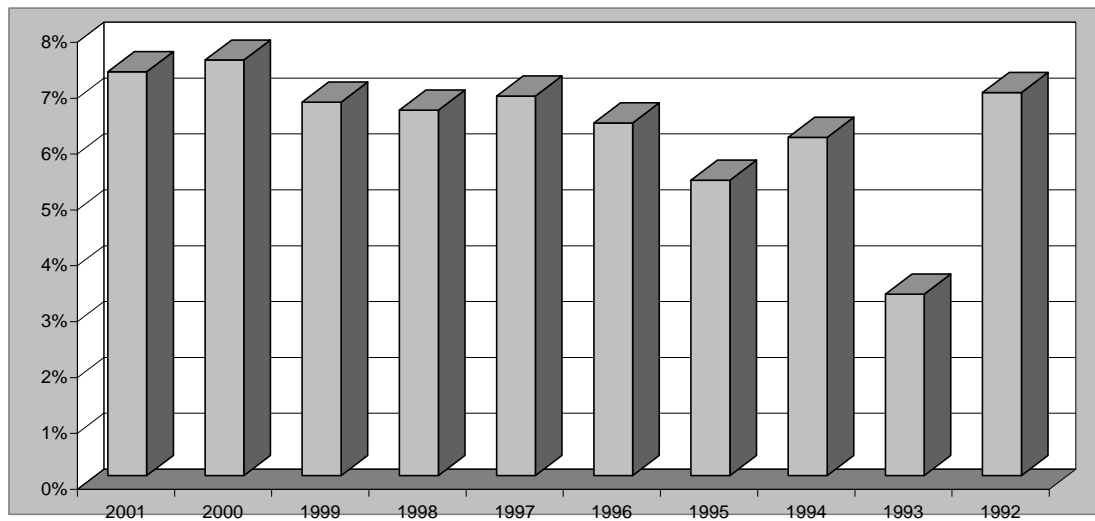
Net Bonded Debt per Capita

COUNTY OF LOUDOUN, VIRGINIA

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Fiscal Year	Principal	Interest and Other Service Charges	Total Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
2001	\$ 24,861,389	\$ 17,014,845	\$ 41,876,234	\$ 579,532,225	7.23%
2000	18,378,363	15,022,255	33,400,618	449,186,335	7.44%
1999	14,552,364	12,650,836	27,203,200	407,051,691	6.68%
1998	11,582,548	10,647,899	22,230,447	340,007,266	6.54%
1997	10,914,904	9,755,732	20,670,636	304,464,088	6.79%
1996	8,483,584	9,428,584	17,912,168	283,887,675	6.31%
1995	6,522,008	7,205,947	13,727,955	259,799,132	5.28%
1994	6,599,282	5,627,233	12,226,515	202,069,153	6.05%
1993	2,965,892	3,630,969	6,596,861	203,052,401	3.25%
1992	7,368,128	5,930,936	13,299,064	194,073,396	6.85%

***Ratio of Debt Service to
Total General Expenditures***

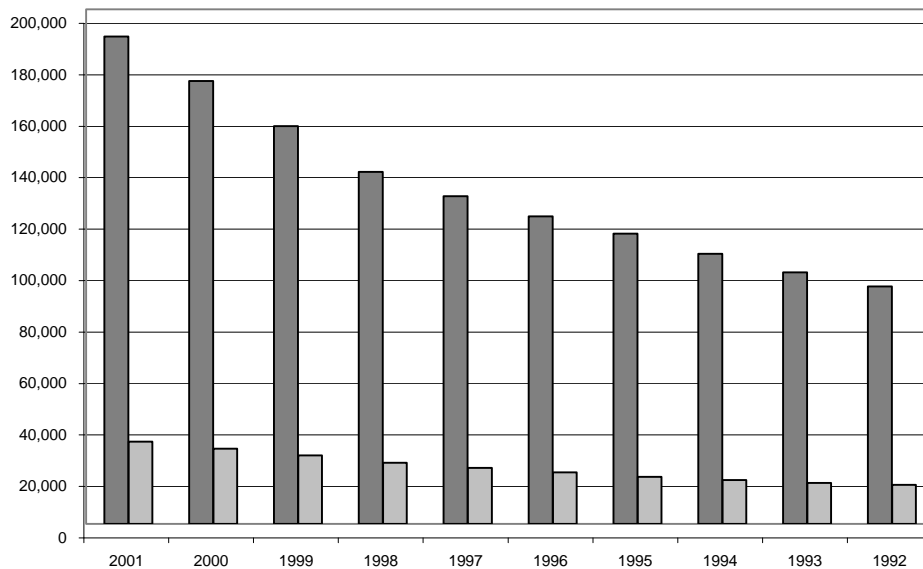


COUNTY OF LOUDOUN, VIRGINIA
DEMOGRAPHIC STATISTICS

Table J

Fiscal Year	Population (1)	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (3)
2001	189,400	38,602	32,016	2.5%
2000	172,173	37,500	29,254	0.9%
1999	154,549	34,495	26,582	1.2%
1998	136,845	32,590	23,782	2.2%
1997	127,410	31,485	21,733	2.0%
1996	119,550	28,934	19,967	2.5%
1995	112,843	28,639	18,270	2.8%
1994	104,966	27,176	17,067	3.2%
1993	97,779	26,349	15,887	3.3%
1992	92,337	25,682	15,118	4.2%

Population vs. School Enrollment



(1) Department of Economic Development

(2) March 31 enrollment amount from the Department of Economic Development, Loudoun County, based on Fiscal Impact Analysis Technical Review Committee

(3) Virginia Employment Commission

<div>COUNTY OF LOUDOUN, VIRGINIA</div> <div>PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS</div>							Table K
--	--	--	--	--	--	--	---------

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Property Value (1)		Nontaxable	Bank Deposits (2)
					Commercial	Residential		
2001	\$	250,000,000	\$	923,000,000	\$ 4,611,938,500	\$ 16,516,082,000	\$ 1,795,059,700	\$ 1,286,934,189
2000		260,000,000		708,000,000	4,085,607,200	12,075,137,200	1,691,471,300	1,148,988,538
1999		290,000,000		571,000,000	2,955,807,600	10,381,499,400	1,580,184,800	996,731,117
1998		103,065,000		457,000,000	2,379,126,100	9,392,447,600	1,404,547,900	915,766,903
1997		70,000,000		377,000,000	2,178,186,300	8,499,434,200	1,405,763,500	882,561,695
1996		75,000,000		355,000,000	2,101,537,300	8,199,315,700	1,273,346,400	793,410,474
1995		70,000,000		371,615,000	1,948,194,300	7,438,550,000	1,214,471,400	786,362,306
1994		98,290,600		305,129,177	1,845,433,600	6,893,387,980	1,178,078,100	757,019,162
1993		38,301,744		226,897,417	2,234,093,300	6,454,978,410	1,465,442,900	784,678,829
1992		63,000,000		107,000,000	3,043,312,200	7,514,564,900	1,507,286,300	821,187,313

(1) Department of Financial Services, Loudoun County
(2) Commissioner of Revenue, Loudoun County

<div>COUNTY OF LOUDOUN, VIRGINIA</div> <div>Table L</div> <div>TWENTY-FIVE LARGEST REAL ESTATE ASSESSMENTS</div>		
Name of Business	2001 Assessed Valuation of Real Property (1)	Percent of Total Net Tax Base
WXIII/Oxford DTC Real Estate LLC	\$ 228,585,800	1.08%
Winkler-Southern Towers LP	206,539,700	0.98%
Washington Gas and Light Company	161,385,600	0.76%
Toll Road Investors Partnership II, LP	136,700,000	0.65%
Virginia Power Company	123,495,100	0.58%
VMS - Landsdowne Limited Partnership	120,668,700	0.57%
UUNET Technologies, Inc.	111,289,300	0.53%
Trizechahn Regional Pooling LLC	72,581,400	0.34%
South Riding LP	65,530,500	0.31%
SPH University Center LLC	64,182,600	0.30%
PSI NET Realty, Inc.	49,689,800	0.24%
Merritt-LTI LLC	49,617,200	0.23%
Lansdowne Community Development LLC	49,095,300	0.23%
Janelia Farm Holding LLC	45,371,900	0.21%
Dulles Town Center Mall, LLC	45,024,100	0.21%
DTC Partners LLC	44,825,400	0.21%
Chelsea GCA Realty Partnership LP	42,764,300	0.20%
Cascades Center LP	42,103,500	0.20%
Cabot Industrial Properties LP	40,239,900	0.19%
C F H Realty/Potomac Run LP	39,188,000	0.19%
Broadlands Associates	39,124,200	0.19%
Brambleton Group LLC	38,671,400	0.18%
Belmont Land Limited Partnership	38,668,200	0.18%
Bell Atlantic-Virginia Inc.	38,550,800	0.18%
America Online, Inc.	36,946,000	0.17%
Totals	\$ <u>1,930,838,700</u>	<u>9.14%</u>

(1) Assessed value as of January 1, 2001

<div>COUNTY OF LOUDOUN, VIRGINIA</div> <div>SURETY BONDS</div>			Table M
NAME	TITLE	SURETY	AMOUNT

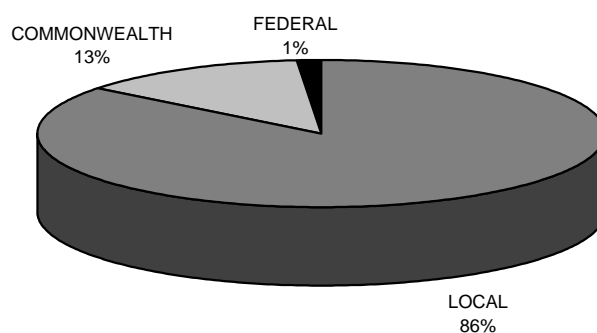
Gary Clemens	Circuit Court Clerk	Fidelity and Deposit Company of Maryland	25,000
H. Roger Zurn Jr.	Treasurer	Fidelity and Deposit Company of Maryland	750,000
Catherine B. Ashby	Commissioner of Revenue	Fidelity and Deposit Company of Maryland	3,000
Steve Simpson	Sheriff	Fidelity and Deposit Company of Maryland	30,000
All subordinate employees		Fidelity and Deposit Company of Maryland	50,000
Dr. Edgar Hatrick	Superintendent of Schools	Hartford Accident and Indemnity Company	100,000
Rhonda Phillip	Clerk of the School Board	Hartford Accident and Indemnity Company	100,000
Evan Mohler	Assistant Superintendent for Support Services	Hartford Accident and Indemnity Company	100,000
Dr. Carol Collins	Assistant Superintendent for Personnel Services	Hartford Accident and Indemnity Company	50,000
All School System employees		Hartford Accident and Indemnity Company	50,000
All County employees		Hartford Accident and Indemnity Company	100,000

COUNTY OF LOUDOUN, VIRGINIA

ACTUAL REVENUES

June 30, 2001

GOVERNMENTAL REVENUES BY SOURCE



<u>TYPE</u>	<u>AMOUNT</u>	<u>PERCENT</u>
LOCAL	\$ 368,068,499	86%
COMMONWEALTH	56,500,281	13%
FEDERAL	5,948,799	1%
	<u>\$ 430,517,579</u>	<u>100%</u>

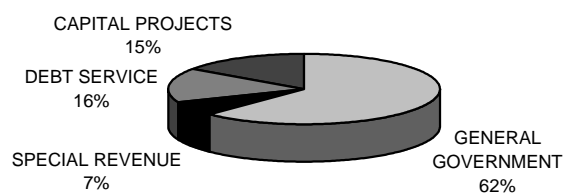
* Includes revenues from the General, Special Revenue, Capital Projects and Debt Service Fund Types. Includes Primary Government. Does not include transfers.

COUNTY OF LOUDOUN, VIRGINIA

ACTUAL EXPENDITURES

June 30, 2000

GOVERNMENTAL EXPENDITURES BY TYPE



<u>TYPE</u>	<u>AMOUNT</u>	<u>PERCENT</u>
GENERAL GOVERNMENT	\$ 150,290,334	62%
SPECIAL REVENUE	15,783,679	7%
DEBT SERVICE	38,015,393	16%
CAPITAL PROJECTS	37,107,687	15%
	<u>\$ 241,197,093</u>	<u>100%</u>

* Includes expenditures from the General, Special Revenue, Capital Projects and Debt Service Fund Types. Includes Primary Government. Does not include transfers.